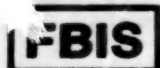


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NEAR EAST/NORTH AFRICA REPORT

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IMPLICATIONS OF TRIPARTITE PACT FOR ETHIOPIA, SUDAN ANALYZED

Paris AL-MUSTAQBAL in Arabic No 245, 31 Oct 81 pp 28-29

[Article by Riyad Najib al-Rayyis: "Are the Sudan and Ethiopia Ghosts of International Alliances, Or Is Each Afraid of the Other"]

[Text] Among Gulf circles there is a lot of talk about the Tripartite Friendship Treaty between Ethiopia, Libya, and South Yemen which was signed in Aden last August. The only thing new about what they are saying in these Gulf circles is that their words are characterized by a sense of uneasy inquiry about the role played by Ethiopia in Arab issues which has been provided for by this treaty. This is the first instance in which a non-Arab nation has been brought into Arab alliances and, at the same time, been brought into Arab disputes. These Gulf circles feel that it is unnecessary for Ethiopia, no matter what ideological position it takes, to be a party in aiding one side against another and to be a weapon in the hands of one side against another--especially when all of the parties involved are Arab nations.

In regard to the Tripartite Friendship Treaty, the Gulf nations were alarmed about Ethiopia in particular because Ethiopia was a nation with which the Gulf nations were not acquainted and the Gulf nations did not know Ethiopia's political position with regard to issues concerning them. This was true until the role played by Ethiopia began to become clear during the last few weeks, after the assassination of President Sadat, when the Sudanese president, Ja'far Numayri, became a shining star as far as U.S. policy-makers were concerned. Numayri has received a lot of attention since the U.S. suddenly discovered, right after the assassination of Sadat, that the Sudan is an important country as far as the strategy of the Western nations in Africa is concerned. The U.S. also discovered that the Sudan is a vast country, with about 20 million inhabitants, and constitutes a basic force both in the Arab and African worlds.

President Numayri was prepared to be this shining star within the framework of the new U.S. policy in Arab Africa, and proclaimed that his country was being threatened by a Libyan invasion and that the U.S. should quickly and immediately provide him with financial support and give him weapons so that his regime would not fall into the hands of Co Mu'ammarr al-Qadhdhafi. The effect of this Sudanese proclamation was enhanced by the fact that Egypt's new president, Husni Mubarak, hastened to say that Egypt would stand by the Sudan if Libya tried to bring down its regime. The U.S. also tripled the amount of military and economic aid which it had been providing, and it was as if the Nile Valley was on the point of drying up.

The nature of Ethiopia's role began to become clear among all of this U.S.-Sudanese excitement which claimed that Col Qadhdhafi was knocking at the Sudan's doors, that Libya had already begun to "invade" the Sudan from the border with Chad, and that the entire Nile Valley was about to be lost and maybe fall into the hands of the Soviet Union. Just as Numayri, after the assassination of Sadat, had found his opportunity to become the object of U.S. concern, the Ethiopian chief of state, Col Mengistu Haile Mariam, discovered his own opportunity in the form of utilizing the Tripartite Friendship Treaty (with two Arab nations) to play the role of a judicious intermediary between a rich distant ally and a poor neighbor.

The treaty between Ethiopia, Libya, and South Yemen has become useful to Numayri to the degree that it provides Mengistu with a role to play among the Arab nations and allows him to come close to establishing an unofficial alliance between Khartoum and Addis Ababa. Such an alliance, even though unofficial, is still an alliance. Like any alliance between two parties--whether official or unofficial--it is based on the fundamental premise of rendering services to one another. As soon as this mutual rendering of services in each other's interests begins, the alliance has already become a fact.

This was how the situation was with regard to relations between the Sudan and Ethiopia, even though they represent two opposing and differing positions both in terms of international politics and in terms of domestic policy.

The Sudan is linked to the Western nations and has a regime which is of the individualist type. Ethiopia, on the other hand, is linked to the Soviet Union and has a Marxist regime. However, this has not prevented Numayri from beginning to aid Ethiopia by preventing Ethiopians, who are opposed to Mengistu's Marxist regime, from utilizing Sudanese territory as a refuge, as a place where they can regroup their forces, and as a base from which to launch their operations. In return for this, Mengistu is exerting pressure on Libya (by virtue of the treaty which links Libya and Ethiopia) in order to keep Col Qadhdhafi from threatening the Numayri regime. The alliances between Khartoum and Addis Ababa are intermeshed and intertwined like political ghosts, and political observers suspect that the motive behind these alliances is their fear of each other and their need of each other. These days Ethiopia needs friends just as badly as the Sudan needs aid. Although the Tripartite Friendship Treaty between Ethiopia, Libya, and South Yemen aroused apprehensions among the neighbors of these three countries, the fears felt by Ethiopia were even much greater than the fears felt by all of these neighboring countries together. This was what impelled Ethiopia to enter into this tripartite treaty. Ethiopia was afraid of the encirclement operation which the U.S. had already begun to mount against it--utilizing its allies such as Somalia, Kenya, Egypt, and the Sudan, in addition to the Gulf nations on the other side of the Red Sea. The tripartite treaty, as such, stipulates mutual defense among the three parties, but does not define the concept or nature of this "defense."

In the past the signatory nations of this Tripartite Friendship Treaty have already aided each other in matters which they considered to be defense-related, even before the existence and signing of such a treaty.

For example, South Yemen sent a whole military division to Ethiopia when Somalia began the Ogaden war in 1977. And in that same year the South Yemeni government

sent an artillery unit to help the Ethiopian government defend the port of Mitsiwa against onslaughts being waged by the Eritrean rebels. And although Ethiopia denies it, it is a fact that many officers and enlisted men from the Ethiopian armed forces--in fact more than 280,000 men--have been trained in South Yemen.

So cooperation in military and defense matters among the tripartite treaty nations already existed before it was made official, and it has already shown its effectiveness in practice, under very difficult wartime circumstances.

This was how Ethiopia militarily needed South Yemen. But Ethiopia has an even greater need of Libya. Ethiopia needs Libya just as much as it needs Sudan in order to check the rebels who are hostile to the Mengistu regime. Ethiopia wants Libya to help it in the following ways:

1. Keeping the Eritrean rebels from making any military--and consequently political--progress by means of putting a definite halt to Libyan support for the Eritrean rebellion. In the past Libya was the largest and most important supporter of this rebellion. The Mengistu regime hopes that, if Libya definitely ceases to give support to the Eritrean rebellion and if the Sudan helps to close its borders in the face of the other rebels [opposed to the Ethiopian regime], then the Mengistu regime will be able to definitely put an end to the Eritrean rebellion which has been going on for the last quarter of a century.
2. Cessation of Libyan aid to the Somali rebels in Ogaden, and preventing any possibility for rapprochement between Libya and the regime of Siad Barre.

It is true that Libya, more than a year and a half ago, ceased its military and financial aid and political support for the Eritrean rebels and the rebels in Ogaden. However, in spite of the existence of the tripartite treaty, the Ethiopian regime is still very afraid that Libya, due to its national identity and religion and due to political factors of change in the Arab world, might once again support these two rebellions in one form or another.

3. Increasing Libyan financial aid to Ethiopia, especially since the decline in prices of coffee in the world--and coffee is Ethiopia's most important export--has plunged Addis Ababa into a deficit amounting to \$2.5 billion. Libya has promised to pay this deficit during the next 7 years, with the first payment being in 1981.
4. Increasing the amount of Libyan investments in Ethiopia. This would be done by means of economic participation in a network of mines and mining projects for the extraction of gold, silver, copper, and zinc. Ethiopia also wants to increase its exports of cattle to Libya and wants more aid for its agricultural projects.

As far as Mengistu is concerned, the Tripartite Friendship Treaty has proven to be beneficial in a number of areas. Consequently there has come to be a clear answer to the question asked by Gulf circles concerning why Ethiopia wanted to be a party in the treaty. At the same time Mengistu has remained faithful to the principles of the accord which he agreed to with Numayri last year. The Ethiopian-Sudanese accord has begun to provide positive results for the Ethiopian regime, as is shown by the following:

1. Last August the Sudan closed the Eritrean Liberation Front's offices in Khartoum and in the other cities of the Sudan.

2. Last September the Sudanese government began to round up all of the thousands of Eritrean rebels in Sudanese territory and put them in particular camps after disarming them.

3. In October of this year the Ethiopian minister of state security visited Khartoum in order to express his thanks to the Sudanese government for helping to finish off what was left of the Eritrean rebellion.

In return for these services rendered by the Sudan to Ethiopia, Numayri has demanded that Mengistu have his regime arrest and detain the Sudanese in opposition to Numayri's government who seek refuge in Ethiopia. This summer an armed group of people opposed to the Sudanese regime crossed the border from Ethiopia to the Sudan and caused trouble on a large scale in a number of villages and areas of the Sudan. In spite of the Sudanese government's attempts to pursue them and although the government arrested some of them, most of them managed to disappear and this represents a threat to the security of the Uumayri regime. Ethiopia apologized to the Sudan for its failure to take care of these matters--as had been agreed upon!

But Numayri's security problem is not due to the opposition of the southern Sudanese coming over the border from Ethiopia, but rather the Sudanese opposition supported by Libya which comes across the border from Chad. This is the role Mengistu is to play in protecting Numayri. It is the role which qualifies him to be a partner in the Tripartite Friendship Treaty with Libya. Numayri wants his Ethiopian neighbor to pressure its Libyan ally to stop its provocations against the Khartoum regime and to cease its support and encouragement to the various schools, branches, and trends of the Sudanese opposition. However, Numayri does not set any great store by Col Mengistu's influence with Col Qadhafi. This was the reason for the large-scale arrests which took place in the Sudan last week and which involved the detainment of 1,300 persons in Khartoum alone--in addition to the 20,000 people who had already been arrested last September.

This is why, right after Sadat's assassination, Numayri let out a cry of fear of a Libyan invasion of his country so that the U.S. would hasten to provide him the \$100 million of military aid which it had promised.

In view of this situation, the danger of which was exaggerated, Numayri--on the basis of the friendship which his country enjoys with the Gulf nations and which was built by the sweat, effort, and skills of his countrymen--reassured the Gulf governments that the treaty between Ethiopia, Libya, and South Yemen does not constitute a danger for them and that his Ethiopian ally should not be blamed and reproached for what Libya or South Yemen does. In 1885 Gen Gordon, the ruler of the Sudan, was killed on the steps of his residence in Khartoum. Britain waited 10 years before sending Lord Kitchener to avenge him and to suppress the Mahdi's national revolt. In 1981 President Sadat, the ruler of Egypt, was killed as he was reviewing his army. But the U.S. did not even wait 10 days before proclaiming its fear for the Sudan--not in an effort to avenge Sadat but rather out of fear for his allies which are also the allies of the U.S.

President Ja'far Numayri should take a good look into the history of relations between the U.S. and its allies and he should read more carefully the history of the Sudan so that no more Gordons will be killed, no more Kitcheners will oppress his country, and so that the theory of international revenge is not put into practice.

BRAZIL, ARGENTINA SEEK EXPANDED SAUDI TRADE TIES

London 8 DAYS in English No 50, 19 Dec 81 p 41

[Article by Ignacio Klich: "Brazil Boosts Saudi Sales"]

[Text] The recently agreed fourfold increase in Saudi-Brazil direct oil dealing has been matched by Brazilian successes in selling meat and iron ore to the region, reports Latin American specialist Ignacio Klich

BRAZIL AND Argentina are aiming to increase bilateral exchanges with the Arab world. Brazilian Finance Minister Ernane Galveas, at the head of a business delegation, completed a tour of Saudi Arabia and the Gulf last month, winning orders for frozen chicken and meat which will be worth about \$2bn over the next five years. While the mission did not break new ground in the promotion of industrial exports, it nevertheless confirmed that Saudi Arabia has been the main target in Brazil's trade drive in the Middle East.

In the last two years Saudi Arabia has been Brazil's major oil supplier and its role has grown more important because of the war between Iraq and Iran. Brazilian Energy Minister Cesar Cals recently arranged a new direct deal between both countries' state-owned oil concerns under which Petromin will increase oil shipments to Petrobras from 26,000 b/d to 100,000 b/d.

In exchange, the Saudis will conclude another agreement to import Brazilian iron ore for the Jubail steel project. According to Saudi Industry and Electricity Minister Ghazi al-Ghosaibi, Saudi Arabia will import more iron ore pellets from Brazil. An earlier agreement, involving the supply of 1m tonnes of pellets for the Saudi Iron and Steel Company, was signed during Ghosaibi's visit to Brasilia last June. It is worth \$50m.

Companhia Vale do Rio Doce, Brazil's huge state-owned mining company, is to

provide the ore. Apart from the Saudi deal, the firm has already played a prominent role in the drive to sell more to Brazil's Middle East oil suppliers. In 1978, Vale do Rio Doce signed two five-year agreements to supply 6.7m tonnes of iron ore pellets to Iraq's Khor al Zubayr and Qatar's Umm Said steel projects.

Vale do Rio Doce is currently negotiating with Bahrain to establish an iron ore pelletising plant on the island. Estimated to cost some \$500m, the plant would not only use Brazilian mineral, but would also require Brazilian technical expertise.

Despite Saudi Arabia's increase of mineral imports, Brazil still has a huge trade deficit with the kingdom — \$3.75bn in the last two years — so the Brazilians are exploring other opportunities to expand trade. Aside from Vale do Rio Doce, the Brazilians have made a mark in Jubail following Construtora Beter's successful completion of the highway linking the town with Safwa.

Although Brazil's economic recession has reduced Arab interest in further investment, the Kuwaiti government has now agreed to contribute \$10m as part of a \$100m salvage packet put together by the shareholders of Volkswagen do Brasil. Kuwait's acquisition of a 10 per cent shareholding in VW do Brasil last year remains the single largest Arab investment in Latin America. The current financial injection was arranged by the German parent com-

pany. The recession has hit VW harder than any of the other manufacturers in Brazil. Total sales have so far been 44 per cent lower than during the same period in 1980, and losses are estimated to reach \$66m this year, more than double the 1980 figure.

Argentina has asked Saudi Arabia to provide financial support for the Salado basin scheme, in the Buenos Aires province. The project would add 1.5m hectares to the province's cultivated area and more than double the region's grain production. The rise in production — from 3.1m to 5.5m tonnes annually — could be used as repayment for the Saudis who are net grain importers.

The main proponent of Saudi participation in the Salado basin scheme is Omar Vaquir, a former Argentine ambassador to Libya. Vaquir's diplomatic assignment and his closeness to the former Peronist government's Social Welfare Minister Jose Lopez Rega has not prevented him becoming an adviser to the current president, General Roberto Viola. Vaquir is hoping to secure 25 per cent-plus Saudi participation in the \$2.5bn Salado basin scheme but he is unlikely to get the soft loans he is seeking from the kingdom's development fund. However, Prince Saudi al Faisal, Saudi foreign minister, reportedly expressed interest in the project last August.

CSO: 4400/110

ABU-DAWUD DESCRIBES HIS NEAR ASSASSINATION

London AL-MAJALLAH in Arabic 14-20 Oct 81 pp 8-12

[Interview with Abu-Dawud by Muhammad Ma'atuq in Beirut; date not specified]

[Text] When the Palestinian leader Muhammad Dawud 'Auda (Abu-Dawud) was injured in an armed attack in a Warsaw hotel around the end of last July, news reaching Beirut indicated that the man was in critical condition and that it would take a miracle to save him. When a number of Palestinian officials rushed to Warsaw to be near him, others in Beirut were making arrangements for a funeral appropriate for a prominent, fallen leader. But as the legendary phoenix rose from the ashes, Abu-Dawud soon rose from his hospital bed to effect a speedy recovery.

AL-MAJALLAH's correspondent and myself were welcomed to Abu-Dawud's Beirut house by Salih 'Awwad. When we expressed surprise at Abu-Dawud's good health, Mr 'Awwad told us that many of Abu-Dawud's friends had also expressed disbelief. These friends, Mr 'Awwad added, continue to contact Abu-Dawud by telephone and the answer they get is that he is alive and in good health. Indeed, Abu-Dawud had exhibited extraordinary courage during the attempt on his life. In the words of Salih—who was adopted by Abu-Dawud—pictures taken one-half hour after the attack show the man "as though he were holding a press conference." The people shown in the pictures with him, according to Salih, were wiping away his sweat, not blood from his wounds.

This is the first interview given by Abu-Dawud since the attempt on his life. Our first question to him will deal with the details of the attack in an attempt to clear the mystery about the identify of the attacker and learn the implications of the operation. Here we recount the story as related to us by Abu-Dawud:

"Palestinian officials assigned to East European countries are somewhat lax about their own security because the host governments provide them with good security. This is not the case in West European countries, where Palestinian officials take extraordinary measures to protect themselves. Socialist Poland, according to Abu-Dawud, was no exception, although he denies that he was unusually lax about his own security while there. He adds that, while in Poland this last time, he noted that security was not as it should be and that he needed to be a little more careful. There were no security people in the hotels as usual. There were no policemen outside the hotel. Noting that, he made his own security arrangements and spent the first 24 hours in his hotel room. While

in his room, he received word that he had a message at the reception desk. He left his room, picked up his message, then stopped in the hotel's restaurant for a cup of coffee. Mindful of his own security, he sat in a place where his face could not be seen. He sat there reading his message, his head leaning against his left hand. Suddenly a bullet was fired. It struck and penetrated his left hand. Realizing he was under attack, he got up to ward off the second bullet which was aimed at his head. He charged his attacker to disarm him. The attacker became confused and began to fire haphazardly, hitting Abu-Dawud in various parts of his body. But none of the injuries were fatal.

In Abu-Dawud's own words: "I got to within a few centimeters of him, but I couldn't grab him. He ran to a stairway with me in pursuit. I chased him a distance of 120 meters, but he managed to reach the main door and exit. I didn't follow him outside, fearing that he might have help there."

Abu-Dawud returned to the lobby to wait for an ambulance. No ambulance came and not one of those present came to his aid, despite the fact that some of them were Arabs. There was a military delegation from one Arab country, a visitor from a second Arab country, as well as a group of Arab residents [or visitors] from a third Arab country.

Abu-Dawud expressed regret to us that none of these people came to his aid. They all knew he was an Arab although they did not know his identity, according to him. He said: "I was swearing in Arabic while chasing my attacker to disarm him. Meanwhile, he said not a word. The Arabs in the hotel, therefore, had no reason to suspect that he was an Arab and that the whole affair was a quarrel between two Arabs. But, even if they did, they should have stepped in to help and stop the aggression. Had they done that, the culprit could have been caught and the mystery surrounding his identity ended."

According to Abu-Dawud, the ambulance arrived 1-1/4 hours after the attack. When the ambulance attendants appeared perplexed about moving him, Abu-Dawud got up, walked to the vehicle, and entered it unassisted. From 8:00 PM, when the attack occurred, till 10:30 PM, when the operation began, he received no medication or first aid. Despite that, Abu-Dawud is thankful for the care he received from the Polish people, who did not know his identity. According to him, he had deliberately kept his real identity secret for security reasons and was carrying an Iraqi passport. Hospital officials notified the Iraqi Embassy in Warsaw of the incident. When the Iraqi officials arrived at the hospital, he revealed his identity to them and asked them to notify the director of the PLO office in Warsaw. This they did. The Palestinian official then saw to it that Abu-Dawud was transferred to a more secure hospital.

Who Was the Assailant?

We asked Abu-Dawud: "Who was the attacker? Is there a possibility that the attack was a result of factional Arab or Palestinian disputes?"

His response: "Frankly, and this is the first time I reveal this, the attacker had Eastern features, but this does not necessarily mean he was an Arab. I am convinced that he is either Israeli or working for the Israelis. The Polish

[investigators] know. They, undoubtedly, have more information about him and about his contacts. But Poland is in a difficult situation now, and we do not wish to exacerbate the Polish government's problem by pressing for details."

Abu-Dawud continued: "The perpetrator works for Mosad, Israel's intelligence agency. Egypt's intelligence agency may also be involved. They both have an interest in killing me."

Explaining further, Abu-Dawud went on: "Egyptian intelligence officers were working with European security officials to thwart any Palestinian move against al-Sadat, who had been touring Western Europe following his most recent visit to the United States. Egyptian intelligence was watching Palestinian moves in both Eastern and Western Europe. I would not be surprised to learn that the Egyptians were cooperating with Mosad on this operation. My belief is that the Egyptians, who know me, tipped the Israelis on how to recognize me. It is no secret that the Egyptians were once our allies. In Nasir's days, we worked hand-in-hand with them. Egyptian intelligence served as a protective shield for us. They also assisted us. Unfortunately, that situation has changed. For example, there once was a fellow known to us as Samir, who coordinated our relations with Egyptian intelligence. Samir now works within Israel on the [Palestinian] autonomy proposal. He has changed directions by 180 degrees."

Abu-Dawud denies that the attempt on his life may have been prompted by intra-Arab or Palestinian disputes. He said: "I am not with the Iraqis against the Syrians or vice versa; I am not with one faction against another within the Palestinian camp. I have a clear political position and a clear political mode of operation."

He continued: "I do not believe that Abu-Nidal (Sabri al-Banna) has anything to do with the attack. Although Abu-Nidal and I are not on the best of terms, our dispute has not reached the point of liquidation. Furthermore, he cannot liquidate me. He liquidates those whom he charges with vacillation or of having contacts with Israel. But what can he accuse me of? I have no connection with Israel, so he cannot liquidate me on the basis of such a charge. Also, with all humility, my 'history' in the [Palestinian] struggle is well known. I do not believe, therefore, that either Abu-Nidal or any other Palestinian group has anything to do with the attack. My principal enemy is Israel."

We Tricked 20 Israeli Officers

Here is Abu-Dawud's reconstruction of what he believes happened:

"I entered Warsaw as an ordinary tourist. I had an appointment with a certain Polish quarter, not necessarily arranged with the knowledge of the authorities. The Polish authorities may not and need not have known that I was in Poland. Various sectors of the Polish government work independently. I was not an official visitor. Most probably, Mosad succeeded in infiltrating the quarter with which I had an appointment, the quarter that knew I would be in Warsaw around the beginning of the month. Aware of my time of arrival, the remainder of the story is easy to reconstruct."

Mosad's reputation notwithstanding, Abu-Dawud insists that its image is much inflated. He claims that it is weaker than any Arab intelligence organization with the equivalent capacities: "We have had numerous encounters with them. In the 13 years we have been working against them, they had been more frequently our victims than vice versa. We hit them hard in many places without them being able to touch us. Even this time, when they managed to hunt me down, it was more due to my mistake than to their skill. Had I been not quite so lax, they would not have been able to touch me. They have had no success in that for the past 12 years. This time I was not so careful; I gave free information [about my movements] to a particular quarter. That is how they caught up with me. Majid Abu-Sharar, information officer of the Unified Palestinian Command, like me, was also lax. That is how they succeeded in killing him. We all knew that Majid was taking part in an information conference as an information officer. We all knew, too, that anyone can enter any room in any hotel. For 100 or 1,000 francs, I can enter any hotel room in Paris. For 100,000 or 1 million liras, I can enter any hotel [room] in Rome and plant whatever I want."

Abu-Dawud went on to reveal a secret that was once alluded to in AL-MAJALLAH. He claims that the magazine did not tell the whole story. In his words: "We fooled not only one Israeli intelligence officer (in Sapin), but 20 of them. We killed seven of them from 1970 to 1972. We killed each of them in a different place, but we did not announce that and neither did Israel. It was a game in which each side tried to outsmart the other. One of our victims was the officer in charge in Spain. But they could not kill one of us."

Abu-Dawud continued: "Those operations were to revenge the assassination of al-Hamshari in Paris and Wa'il Zu'aytir in Rome. Al-Hamshari had nothing to do with Palestinian military operations, and Wa'il Zu'aytir was working against Israel in an informational capacity only. He was an intellectual, a philosopher, but they killed him anyway. They published the killings of these two as victims for them. Our response was to kill their intelligence officers in Spain."

Sadat Was One of Our Targets

Returning to the attempt on Abu-Dawud's life in Warsaw, we asked what he was doing in Poland. It was rumored that Abu-Dawud was trying to assassinate the late President al-Sadat, who was touring Europe at the time. Indeed, al-Sadat had cancelled a trip to Vienna on the day the attack on Abu-Dawud took place. Abu-Dawud would not confirm that there was any connection between his visit to Warsaw and President al-Sadat's cancellation of his visit to Vienna. Here is what he had to say on this point:

"Frankly, if I had had a chance to assassinate al-Sadat anywhere, not only in Vienna, I would have done so. Al-Sadat shamed me as an Arab, not just as a Palestinian. He made me feel less of a man."

He continued: "Al-Sadat was one of our targets. He was liquidated by a group of Egyptians, which shows that the Egyptian people were opposed to him, not we alone."

We mentioned to Abu-Dawud that some Western newspapers had claimed that there was a connection between his visit to Warsaw and the arrest of some Palestinians in the Vienna Airport, whose luggage was found to contain arms--an incident that was quietly resolved by the PLO and the Austrian Government. He responded: "There was no connection between my visit and that incident. But, as I mentioned earlier, I am recruited to liquidate agents wherever they are. However, I assure you, there was no connection between my visit and the arms seizure." He went on to tell us that the arms incident was resolved with the removal of the director of the Vienna PLO office at the request of the Austrian Government. The director apparently was involved with the two men who were arrested. The incident had come on the heels of an attack on a Jewish synogogue. Chancellor Bruno Kreisky charged the Abu-Nidal group with responsibility for the attack.

Munich Operation

With the 1978 assassination in Beirut of "Ali Salameh (Abu-Hasan), Abu-Dawud is reputed to be the sole survivor of the group that planned the 1972 Munich operation. In that operation, a group of Palestinians attacked the residence of the Israeli Olympic team. The operation ended with the martyrdom of five Palestinians and the death of 11 Israeli athletes in an armed battle between the Palestinians and a combined force of Israelis and West Germans in a West German airport. Abu-Dawud laughed at our description and said: "No, I am not the sole survivor of the group that planned the Munich operation. There are others. But why is the Western press so interested in the Munich operation? One of these days I will be ready to provide you with a file on each of the so-called athletes--name, place of immigration, work, etc. They were all officers in the Israeli Army, and the least criminal among them is responsible for the killing of 50 or 60 Arabs, either as terrorists under Begin, during the [1956] Suez invasion, or in the 1967 war. Why is the world so concerned with these killers in athlete uniforms and oblivious to the tens of thousands of Lebanese and Palestinian victims of Israeli bombardments and air raids on Southern Lebanon and Beirut? Are the Israelis God's chosen and the others not members of the human race?"

He went on: "I must treat the Israeli soldier the same way, as a soldier ready to kill me, whether he is in Tel Aviv, Paris, or London. Furthermore, I am not responsible for the death of the Israeli athletes. The responsibility for that rests with the former Interior Minister of Germany, Genscher, and the former Defense Minister of Israel, Moshe Dayan. They are the ones who made the decision to settle the problem with guns. They are the ones who changed plans, rerouting the trip from a civilian to a military airport, where an ambush had been planned."

We asked Abu-Dawud whether the attempt on his life and the assassination in Rome of Majid Abu Sharar signal and end to the 8-year truce between the Israeli and Palestinian intelligence forces and a return to the liquidation period of 1971 and 1972.

Abu-Dawud: "The truth is that there was some kind of a truce between us. In the [Israeli] book, "Al-Taqsir", [probably not the original Hebrew title], the Israelis accuse themselves of making the mistake of letting Palestinian intelligence divert their efforts from 1970 to 1973 to the point of neglecting their

principal task of monitoring the situation in the Arab world. That is indeed true; for, in that period, we were engaged with them in a dirty, running battle. Following the 1973 war, however, talk of peaceful settlements, negotiations, a possible Geneva conference, and so on, prompted the Palestinians to relax, but only until Begin came on the scene and declared war on every Palestinian liberation fighter, as a liberation fighter. Begin unleashed an unrestrained liquidation campaign. He assassinated Abu-Safwat in Cyprus. Haní al-Hindi, because of his former ties with Wadi' Haddad, was next. Begin vowed to kill every member of the Palestine Resistance Movement anywhere in the world. Begin's statement was a declaration of war. I pray that we will be up to it.

Abu-Dawud went on to disclose the existence of a certain Lebanese group which, according to him, cooperates directly and indirectly with the intelligence services of the Camp David triangle, and works to liquidate the Palestinian and Lebanese national forces. Based on this, he said, we should expect more terrorist incidents similar to the recent rash of detonating dynamite-laden cars, which have caused the death of hundreds of innocent Palestinians and Lebanese. He foresees that these acts will grow in intensity.

"I Know Carlos"

Abu-Dawud indicated that the boobytrapped cars are undoubtedly the work of Israeli agents. He bases his belief on the fact that Israelis have used this form of terror tactic from 1936 to the present. As examples, he cited the Damascus Gate incident in Jerusalem, the Musrara Quarter incident in Jaffa, and the destruction of the King David Hotel in Jerusalem. He said: "They used to load cars with explosives and then detonate them in civilian areas. The mastermind of these operations was Menachem Begin, the prime minister of Israel, a man treated with respect, while the PLO is accused of terrorism."

Abu-Dawud made it clear that he does not care what form the confrontation with Israeli intelligence may take: "Just as Begin has declared war on the Palestinian Revolution everywhere, it is the right of the Palestinians to confront him everywhere. We will desist from operating in a particular area of the world only if the government of that area stops Begin from operating there. But if Begin is permitted to kill Majid Abu-Sharar in Italy, for example, it is my right to kill any Israeli intelligence agent in Italy."

We asked Abu-Dawud whether there was any collusion between Italy and Israel. He answered "yes", and revealed to us that, prior to the assassination of Majid, the Palestinians had agreed with the Italians to respect Italy as neutral territory. Based on this, Abu-Dawud thinks the Italians did not live up to their part of the agreement. He believes that the Israelis have succeeded in infiltrating the Italian Government. He also believes that they have infiltrated France's security system. When he was detained in Paris in 1972, one-half of the French officers who interrogated him were more Mosad than French.

He added: "We must put an end to Israeli infiltration of West European security systems. Greece is already trying to stop Mosad penetration of Greek companies. We will appreciate similar actions in Italy, France, and others."

We asked Abu-Dawud, whose career with Palestinian intelligence has acquainted him with numerous terrorist planners, whether he had ever met the famed Carlos. At first, Abu-Dawud would not comment on this point for the record, but he later changed his mind.

"Carlos," he said, "was supportive of the Palestinian revolution to an extent commensurate with his beliefs, understanding, and the influence of his friends. I know Carlos. But he is not responsible for all the terrorist activities attributed to him worldwide. He does not run a training camp in an Arab country, as alleged, and he does not have the means to carry out the big operations attributed to him. He is a down-to-earth person and has his own way of looking at things."

Abu-Dawud assured us that certain Palestinian quarters can always intervene with Carlos so that he would not do anything that might harm the Arab cause.

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DFLP PUBLICATION SPELLS OUT CURRENT STAND

Beirut AL-HURRIYAH in Arabic 23 Nov 81 pp 39-41

[Article by Khalil 'Abd Rabbuhu: "Report of the Second Annual Conference of the Democratic Front"]

[Text] The Ibn Khaldun Press recently published a report detailing the proceedings of the Second Annual Conference of the Democratic Front for the Liberation of Palestine [DFLP]. The 526-page report, with a preface by DFLP's secretary general, Nayif Hawatmeh, delineates the theoretical, political, and organizational principles endorsed by the conference. The preface was published separately in an earlier issue of AL-HURRIYAH.

The first three parts of the four-part report deal with the international situation, the Arab situation, and the Palestinian situation; the last part focuses on ways to strengthen the front and to expand the work of its democratic and people's organizations. Owing to its length, we give here only a summary of this important document, reminding the reader of the necessity of reading the full report. AL-HURRIYAH welcomes and encourages inquiries about and further discussions of the political and theoretical aspects of the report.

The International Situation

The three chapters of this part of the report deal with a number of important points relating to the current, international political scene. Referring to this age as the era of victory for socialism, the report predicts the certainty of defeat for and the collapse of capitalism. It asserts that the socialist system is achieving great and important successes on the economic, social, and educational fronts, thus proving its absolute superiority over its rival, the capitalist system. These achievements, according to the report, not only provide concrete evidence of a better future [under socialism], but serve as a fundamental factor in strengthening and advancing the revolutionary movement. Struggling nations seeking economic and political independence derive inspiration and encouragement from these achievements. The defense forces of the Socialist Bloc, particularly those of the Soviet Union, are a fundamental factor in the struggle to preserve world peace, deter Imperialist aggression, promote relative balance and international stability, as well as in giving not only the struggling nations, but all nations, an opportunity to build and

develop their societies in freedom, free of the fear of direct Imperialist intervention. The international revolutionary movement relies on the powerful defense force of the Socialist Bloc and the Soviet Union.

With all these successes, nevertheless, there are difficulties that must be confronted, the Polish situation being one such example. But these difficulties, and specifically the Polish crisis, do not mean that the problem is peculiar to the socialist system; rather, they simply indicate that straying from the path of building along sound socialist principles can generate such problems.

The capitalist system, on the other hand, is engulfed in a total crisis. It is beset by an ever-widening class struggle that is threatening to destroy the fabric of economic, social, and moral life. Unemployment and inflation are on the rise, economic growth is on the decline, and society is deprived of the fruits of scientific and technological advances. The "oil crisis" is but one prominent facet of the total problem facing the capitalist system. The responsibility for the oil crisis lies with the capitalists who have a monopolistic control over the transportation, storage, marketing, and "irrational" use of oil, as well as over other sources of energy. International imperialism is trying to shift the blame for the oil crisis on the developing nations as an excuse for interfering in their affairs, for establishing [military] bases and creating alliances for aggressive purposes, all under the guise of safeguarding its vital interests.

The total crisis besetting the capitalist system is not the result of internal factors only. The monopolistic policies of the capitalist system spur the spread of discord to the international scene, thereby intensifying the level of confrontation between the imperialists and the developing nations. In their attempt to gain political and economic independence, to develop freely and overcome backwardness, these nations collide with the Imperialist System's inherent inclination for control and with its monopolistic interests. It is not unexpected, then, that the forces of national liberation should pursue a direction opposed to imperialism and its aggressive policies.

The struggle for national liberation in the developing nations goes hand-in-hand with the struggle for social and economic liberation. The selection of a social system is one of the most important tasks of a developing nation. Experience has shown that countries which have chosen the capitalist path have not only failed in solving any of their problems, but that their problems have grown and intensified. Meanwhile, the achievements of those that have opted for the socialist path are evidence of the success of that system.

In the capitalist world, the struggle to preserve the economic gains and the democratic fights of the working class and the democratic forces allied with it, as well as to preserve world peace and discourage armament, give evidence that the masses are convinced of the pressing need for social change and for moving toward socialism. In short, the three international revolutionary groups [not named] have joined forces in the struggle against Imperialism, for peace, for the right of nations to develop and progress, and for building a socialist system. In light of this agreement on fundamental principles, revolutionary

forces throughout the world must unite in a common front against imperialism, racism, and Zionism. For the struggle to succeed, the revolutionary movement must stand decisively against opportunism within its ranks, against Maoism and the destructive policies of the traitorous Chinese leadership, as well as those who foster anti-Sovietism and communism.

The Arab Situation

The second part of the report deals with the Arab situation and focuses on the following main points:

1 -- American policy in the Middle East

- a) Aims
- b) Coordination with the Zionist plan
- c) The role of reactionary Arab states

2 -- The status of the Arab Liberation Movement

- a) Measures to scuttle the Camp David Accords
- b) Measures to oppose the American offensive
- c) Measures to ensure the rights of the Palestinians

3 -- Unity of the leftist and democratic, revolutionary forces in the Arab world and ways to strengthen the role of its leadership.

The first point defines the goals of American imperialism in our region, the oil region, which is strategically located near the Soviet frontier and whose resources generate incredible financial returns. A necessary prerequisite for the realization of these imperialist goals is the continued existence of the powerful and militarily superior Zionist state, Israel. This is why International Imperialism, headed by the United States, seeks to guarantee not only the security of Israel, but to ensure its absolute [military] superiority. The United States will back Israel and the Zionist plan unconditionally in the effort to bury the rights of the Palestinian people forever. Thus, we see that all imperialist designs, from the Camp David Accords to the European initiative are aimed at preserving Israel, whose existence is a de facto guarantee of imperialist interests. Reactionary Arab groups are in accord with these imperialist designs. Aware of the revolutionary upheavals in our region, the reactionaries seek to perpetuate their existence by adhering to the imperialist designs. The policy of the reactionaries is:

A -- To bet on an American settlement, to advance the image of America--even to help it solve its crisis--to attract other Arab states to follow their lead, and to spread the incredible belief that American is neutral and advocates a balanced position.

B -- To compel the Palestinian revolution to accept a "liquidation settlement" by employing a policy of "containment through support." This is evident in the reactionaries' stand on the Palestinian revolution and Palestinian problem.

C -- To concentrate on promoting solidarity along reactionary lines, i.e., along lines that are not supportive of the revolution, but of imperialism and Zionism.

D -- To promote anti-Sovietism and to spread the [false] belief that communism rather than Zionism is the principal threat [to the region].

E -- To strengthen relations with the imperialist West to the point of complete unity in the military, political, economic, and other spheres.

Based on this, a major task of the national liberation movement will be to wage an earnest struggle against the Arab reactionaries in order to expose their position, to scuttle American designs, and to force the Zionist occupation forces to retreat.

The preceding analysis, which spells out the basis on which the opposition is united, makes it clear that a struggle against it is a necessary condition for achieving victory. We should not be fooled by the reactionaries' slogan that "the real enemy is Israel," despite the truth of that assertion. An indispensable step in the Arab Liberation Movement's struggle is to defeat the reactionary front.

Crisis of the Bourgeois Leadership

The second part of the report which deals with the Arab situation focuses on yet another major point: the status of the Arab Liberation Movement. It states that in the '50s the movement attracted much popular support and realized a number of important goals, making great strides in the direction of Arab unity. By contrast, the movement lost a good deal of its momentum in the '60s as the crisis of the bourgeoisie leadership began to unfold. The June [1967] defeat demonstrated clearly the inadequacy of the leadership and ushered in a period of progressive deterioration. As the Imperialist-Zionist onslaught intensified, the leaders of a number of Arab states including Egypt, Sudan, Somalia, and North Yemen began to lean to the right. That fact was reflected in the weakness of the response to the imperialist challenge. The bourgeois leadership was unable to meet the challenge or to carry on with the work of the national democratic revolution. This degeneration to the right cannot be explained away as a mere historical mistake. It was not the result of a political miscalculation, an ideological fantasy, or a sudden change in the balance of power. It was the result of laws and policies put in place to serve the interests of the bourgeoisie of our time. More explicitly, it was an indication of the bankruptcy of historical vision of our bourgeois leaders and the failure of their capitalist system.

Utilizing a detailed theoretical Marxist-Leninist analysis, the report shows the error committed by the bourgeois leaders who had led their countries along the capitalist path. Having examined at length the tilt to the right in Egypt and Iraq--whose ill and reactionary effects are all too visible--the report goes on to define the basic characteristics of Arab bourgeois states and policies. Upon assuming power, bourgeois leaders, civilian or military, push their countries along a capitalist development path different from the classical

capitalist one peculiar to the West. In this age of imperialism, the bourgeois Arab leadership cannot produce the necessary transformations to create a successful capitalist system competitive with the international monopolistic giants, who are far stronger militarily, economically, and politically. Because of this, capitalistic development in these Arab countries can only be begun with foreign, imperialist capital. The outcome of this is that the local free enterprise system, unable to compete with the foreign system, is restricted to serving the interests of the latter. This explains why the [Arab] bourgeois leaders are unable to push development ahead in their countries.

[In spite of this], a small group of bourgeois leaders, upon assuming power, use the government apparatus and the resources of their societies to create national bourgeois systems. The problem we are discussing is a real one. It is not the result of a fertile imagination or an exercise in theoretical analysis. It is there to see by anyone who analyzes the contradictory nature of the bourgeois system, its instability, and intellectual and ideological bankruptcy. The progressive accomplishments attributed to this system such as nationalizations and agrarian reforms, etc., are not directed at building socialism but at creating a national bourgeois system which cannot possibly compete with the International capitalist system and which is doomed to be subservient to it. In view of this, our bourgeois leaders will be unable to utilize our growing capital for real, meaningful development. They will continue to turn to marginal, nonproductive enterprises. They will use their positions of authority to multiply the number of privileged, ignorant bureaucrats. In addition, the progressive accomplishments of the bourgeois leaders will not lead to a real, radical liquidation of the monopolistic and reactionary groups. These will continue to exist and thrive.

Our national bourgeois system is caught in a vicious circle. The progressive measures that helped to establish it are bound to fetter it. The special interests it has created will compel it to turn to imperialism and reaction and accelerate its plunge to the right. The best examples of this phenomenon are Egypt and Iraq. The forces which have led the retreat and reestablished direct ties with the Imperialists came from within the governments of these two countries. They did not come from outer space; they did not come by accident or error. They are the natural outcome of the policies, programs, and historic vision of the bourgeoisie.

As a result of these retreats, the Arab Liberation Movement has been placed in a difficult position. A great imbalance of power in favor of the enemy was created when substantial forces left the ranks of the national movement to ally themselves with the enemy. The retreats also adversely affected the policies of those states and forces that are still a part of the liberation movement. Evidence for this is found in the following:

- 1 -- Refusal to strike out against American interests;
- 2 -- Reluctance to work for greater unity among the nationalist forces and to revitalize the role of the Steadfastness Front;

- 3 -- Reluctance to develop ties with the Soviet Union or to advance existing ones to the status of a strategic alliance;
- 4 -- Slowing down, or stopping altogether, social change within their regimes.

The Working Class and its Role

Based on the preceding remarks, we conclude that the national [Arab] bourgeoisie are unable to carry out the tasks of the revolution, but this does not mean that their role has ended. On the contrary, they will continue to be a part of the broad alliance that encompasses all sectors of the national movement. We should not fall into the mistaken belief that the tilt to the Right is preordained by fate. Instead, we must enlist the working class, its allies, and other revolutionary sectors of society in an effort to reign in and ultimately stop this drift. Thus, the destiny of the Arab Liberation Movement is in the hands of the working class. Recent developments, particularly the clamor of the masses for a decisive, revolutionary leadership, leave no doubt that the working class must assume leadership of the revolution. It is the only way to wage a successful struggle against imperialism, Zionism, and the reaction and to complete the work of the democratic revolution. The way to scuttle the Camp David Accords and to repulse the imperialist-Zionist-reactionary assault is to unite the ranks of all liberation forces in a broad national front. That is the principal task before us as dictated by our present situation. Our goal should be to strike out against American and imperialist interests, to enhance our alliance with the Soviet Union, to mobilize Arab resources, to free the masses, and to back the Palestinian Revolution and the Lebanese National Movement. We must also work to develop the liberation fronts on a country-by-country basis, reconcile their mutual differences, entrust their leadership to the masses, and encourage the leadership to work and organize independently. The duties of the leadership will be to seek political freedom in all aspects of life, coordinate class struggle, organize and educate the masses.

Unity of the Arab Leftist Front

Chapter 4 of the part of the report dealing with the Arab situation focuses on the leftist and democratic revolutionary forces and ways to enhance their role in the liberation movement. The report points out that conditions are suitable for such action. It asserts, for example, that leftist forces and parties are growing and that Marxist-Leninist political ideas are rapidly gaining acceptance. It notes further that several democratic revolutionary groups have formally turned to Marxism-Leninism, and that many of the mistaken notions held by the masses about the role of the working class have been dispelled. This last achievement, the report indicates, is critical; for, now, it is possible to define clearly the outlines of a unified strategic program and to coordinate the tactical elements of the struggle on a more concrete foundation. Indeed, the report goes on to propose such a preliminary program. The program includes the following:

- 1 -- To wage an earnest struggle against Imperialism in order to liquidate its influence and interests in the region;

2 -- To wage an earnest struggle against Zionism and Israeli occupation in order to bring about a radical, democratic solution to the Palestinian problem;

3 -- To work for the liquidation of all reactionary classes and states which are allied with the Imperialists and to provide effective support to the democratic and national forces opposed to them;

4 -- To work for achieving political freedom, for a comprehensive, democratic mobilization of the masses, and for arming the people to confront the imperialist-Zionist aggression;

5 -- To work for economic and social development in all [Arab] states and for the creation of a complementary Arab economic system;

6 -- To work for Arab unity, anchored on a strong, democratic basis and directed against Imperialism;

7 -- To work for strengthening relations with the Soviet Union on a firm and steady basis and for the adoption of a foreign policy opposed to colonialism, Zionism, and racism;

8 -- To make sure that the leadership of the national democratic front is in the hands of the working class in recognition of the fact that it alone is capable of carrying out the tasks of the national democratic revolution on a country-by-country basis, of building the foundation for the creation of a socialist system, as well as of achieving Arab unity;

9 -- To pursue an alternate policy for dealing with the [Arab] bourgeois class in order to make it a partner in the struggle against the imperialist-Zionist-reactionary enemy. Such a policy must be anchored on a democratic basis, one that guarantees the ideological, political, and organizational independence of the working class and its parties;

10 -- To work to unite all Arab, national forces in a broad alliance opposed to imperialism, Zionism, and to a "surrender policy".

The preceding is a summary of the main points of the parts of the report that deal with the Arab and international situations. The remainder of the report will be reviewed in a future article.

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BRIEFS

SAUDI LOANS TO JORDAN--Saudi Arabia has granted Jordan two loans totalling \$47m, according to an agreement signed in Amman earlier this month by the Saudi Finance Minister Sheikh Abalkhail and his Jordanian counterpart, Salem Masadeh. The two loans will be used to finance the expansion of Aqaba's industrial port facilities, and a drinking water project for Amman. The two loans, furnished by the Saudi Development Fund, which is chaired by Sheikh Abalkhail, bring the total of Saudi loans granted to the Jordanian government to around \$168m. The Saudi fund will contribute about \$18m towards the \$124.5m Aqaba expansion and about \$29.5m the \$180m Amman water project. [Text] [London 8 DAYS in English No 50, 19 Dec 81 p 42]

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PRICING PROBLEMS, INTERNAL CONFLICTS DISCUSSED

London 8 DAYS in English No 50, 19 Dec 81 pp 54,55

[Article by John Leroux: "OPEC Faces More Cuts and Conflict"]

[Text]

THE CENTRAL problem confronting most delegations as the Opec conference broke up last week was: how low should crude oil prices drop to attract buyers back into the market and prop up world demand for oil?

The fierce and unexpected haggling between Iran and other Gulf producers which took place at the 11 December morning session was still fresh in everybody's mind. In the wake of an agreement apparently concluded the previous evening, Iranian Oil Minister Mohammed Gharazi shook the conference by threatening to shave the price of his heavy grade by as much as \$1 a barrel. Only hard bargaining by Sheikh Ali al Khalifa, the Kuwaiti oil minister, helped to limit the drop to 70 cents. 'It was a real souk,' commented one ministerial source to *8 Days*, 'as each country's price cut was affecting another crude exporter.'

But Iran is still eager to jack up its production to 2m barrels a day, as foreign cash reserves have melted away to well below \$2bn, or less than the cost of two months' worth of imports. No one had to be reminded of the potential danger this posed for Opec unity in the months ahead: in much calmer circumstances, and regardless of Opec's golden rule of solidarity, Nigeria last September slashed all its prices across the board by \$5.50, in a desperate move to recoup its share of the market. It succeeded, to the extent of regaining 70 per cent of its original 2.2m b/d output, but only by inflicting tremendous damage to the sales of nearby competitors Libya and Algeria.

Over the last 11 months, Opec's weighted average price has dwindled from an all-time peak of \$34.82 a barrel down to \$34.15. Last week's partial price trimming by five producers (Saudi Arabia, Iran, Kuwait, the

UAE and Qatar) entails a further cut of 15 cents a barrel as of 1 January, and this should be followed by even greater cuts.

Libya and Algeria will probably shave their \$37.50 price by another 50 cents to restore some measure of competitiveness against Nigeria's \$36.50 price for the same quality of sweet and sulphur-free crudes. Then, as Saudi crude purchasers move in to take full benefit of a 50-60 cent price cut-back for heavy and medium grades, the kingdom's output profile will shift from a 65-35 ratio of light to medium and heavy crudes to roughly 55-45, in order to reflect more closely the actual pattern of Saudi Arabia's underground proven reserves. Iraq could follow, with Venezuela not far behind.

All in all, Opec's blended price may come down an extra 20 cents, thus bringing the weighted average to \$33.80, down by \$1 since January 1981. Yet this would only serve as a curtain-raiser, with Saudi Oil Minister Yamani forecasting additional drops for medium-to-heavy grades sold for heating and industrial fuel.

Sheikh Yamani called this drop his 'Christmas gift' to the industrial world. But at a time of acute recession and rising unemployment, the ultimate beneficiaries may simply shrug their shoulders in disdain and ask for more.

Both western and Japanese oil buyers reject the new discounts as 'too little, too late'. One Tokyo oil executive graphically illustrated to *8 Days* what he was facing by pointing to his belly and saying: 'We already ate too much. We simply can't take more. We're full. The only thing we can do is to use our chopsticks and pick up a little here and a little there, that's all.' (Due to its

dwindling oil consumption, Japan has still 110 days' worth of inventories in its tanks.)

Most industry sources, questioned about their reaction to the agreement, said that they could find cheaper supplies on the three major world spot markets: Rotterdam, New York and Singapore. 'The volumes traded may be low, but we don't need much,' said an oil company man. One Asian source put it more bluntly: 'The agreement will collapse under market pressure.'

Prospects of a price war between Opec members are growing rapidly, following the weakening of spot market prices over the last months, despite the fact that it is winter. One former Opec official called upon Libya and Algeria to show more restraint; the fate of Opec rests on their shoulders, he said, adding that unless the three North African producers restore unity at \$36.50, market forces would further squeeze Opec prices.

The rationale behind the Gulf producers' price cuts was two-fold: first, to allow the UAE and Qatar to compete against Nigerian crude on the western markets via a 20-cent adjustment; and second, to stem the tide of medium and heavy crude flooding the world market by means of a 50-60 cent cut on both shores of the Gulf. Japanese sources claim that even if Iran had got its way, a \$1 price cut would still have been brushed aside by the market. 'Security factors alone warrant a \$1 cut, not to speak of market considerations,' was their view.

A former Opec official, who prefers to remain anonymous, claims that if North Africa realigned its prices, it would undoubtedly put pressure on the Arabian light benchmark crude; enough pressure, he says to convince the Saudis to cut their output by a further 1m barrels a day. The spill-over effect of this would instantly restore other producers' share of Opec exports.

Yet the short-term outlook in the region makes it difficult for anyone to forecast on a purely economic basis. Three political issues could add enormous strain to Opec's solidarity: the Islamic revolution east of the Gulf, the Iran-Iraq war and the mounting confrontation between Libyan leaders Colonel Qaddafi and US President Ronald Reagan. Iran's readiness to recapture its market share suggests that Iraq may soon follow suit by trimming its prices as well. As one Arab oil expert told *8 Days*: 'Iraq's priority throughout the 1970s has always been to push up its production and only then firm up prices. Nothing has changed.'

Furthermore, Sheikh Yamani clearly hinted that Baghdad officials might soon announce new price adjustments. However, if Iraq and Iran made peace, 'it would be an impossible nightmare', admitted one conference delegate, who feared a dramatic glut in that event. It is estimated that within

three months of the war's end, both countries could unleash an extra 3m barrels of crude on the international market. Meanwhile, the Paris-based International Energy Agency, a 'club' of 22 industrial countries, said it expected a new drop in consumption for the non-socialist world next year, to below what it was eight years ago.

The latest US-Libyan confrontation may affect the oil issue less than might have been expected: 'The Libyan issue has nothing to do any more with either production or prices. It is purely political from now on,' commented one Opec oil minister. Indeed, the authorities in Tripoli have so far failed to increase their production (currently 750,000 b/d as against a normal average of 1.4m b/d), despite substantial price incentives offered to traditional concession holders. Tripoli is even considering a radical restructuring of its production agreements in order to give a more profitable share to its foreign partner companies. This would soften prices to a level lower than those of Nigeria.

Throughout the three-day conference, the Libyan oil secretary, Abdussalam Zaqr, an Exxon-trained oil manager, failed to muster support against Washington. A strongly-worded three-page draft statement condemning 'American aggression' was handed out by the Libyans to Opec delegations, but although Indonesia, Iran, the UAE, Iraq, Algeria, Gabon and Ecuador were ready to offer either moral or technical support, the draft was watered down so much by other delegations that it became meaningless in Zaqr's view, and he finally dropped the whole matter. 'But if the US embargo comes true, we will, I think, call for an extraordinary conference,' he said.

What Zaqr was looking for was an Opec embargo against any oil company pulling out of Libya, as well as technical and personnel back-up from other producers. 'In the case of a boycott,' he explained, 'we would face serious problems. This is obvious. But we have to pay a price for our freedom.' He was bitter at the argument advanced by some countries, notably Saudi Arabia, that Opec could not deal with political issues. 'But they did in the past, for us as well as for Iraq or even Iran,' contended Zaqr. And indeed they did, but only insofar as it helped the organisation to sort out specific oil issues, ranging from prices to state participation in domestic oil industries. Opec and its sister group, the Organisation of Arab Petroleum Exporting Countries (Oapec) was never involved in the 1973 post-war embargo. 'Decisions came straight from government authorities, not from oil ministers,' explained an Opec spokesman.

AFGHANISTAN

SOCIAL-POLITICAL CONSEQUENCES OF WAR REVIEWED

Paris L'UNITE in French 18 Dec 81 pp 11-13

[Report by Special Correspondent Herve Barre: "Third Soviet Christmas for the Afghans"]

[Text] "Beyond that mountain is Afghanistan," Said Amin, the guide and interpreter accompanying me on this humanitarian mission of mine, explained, pointing ahead.

"From the desolate steppes of Baluchistan, by way of the Hazarajat to the verdant Turkmen Valley to the northwest of Kabul, the political and military committees established during these past two years met us everywhere, checking on the identity of each one of us. The country has in fact, over nine tenths of its area, been left to itself for a year, or two, depending on the region, and the Karmal administration has been gradually limited to a few large cities.

"At the beginning, the peasants of the Hazarajat waited very hopefully for the Taraki government to implement the promised reforms, in agrarian reform in particular. In the final analysis, all we got was propaganda and repression. The Kalquis (as the communists in power are called) said 'land, bread, clothing, a house for everyone.' After 6 months we realized that all of this was nothing but propaganda and that nothing would change because of them."

This is the passionate protest of a Hazara, deceived and betrayed by the false hopes the Taraki government gave the peasants. In the Hazarajat, a martyred region of Afghanistan where the Pashtun nation has held political, economic and cultural sway for several centuries, the hopes that things would finally change were great, and families which had emigrated to Pakistan in some cases several generations earlier began to return to the country. The Hazara were the slave people of the Pashtun nation, which settled its people in the region and blocked access for Hazara children to higher schooling and government jobs. The Hazara peasant had to turn over 75 percent of the harvest, the product of his labor, to the farm owner, and to repay usurers' loans and the services provided by the owner, or "arbab," to make exploitation of the land possible--water, seeds, tools--under very difficult conditions.

In the countryside, this deception led first of all to discontent. The peasants then went to question the local administration about the government's plans. The only response they got was repression--imprisonment or death. On a preventive basis, the Kalquis set out to arrest educated persons, students, leaders of public opinion, those who asked questions and encouraged discussion. It was often in connection with one of these purges that a group of peasants with primitive weapons attacked the barracks and seized a village.

When some reforms were initiated, they were pursued in an undemocratic fashion, without taking into account the specific situation, as if it was feared that the people themselves would take charge of the development of education and the distribution of the land. It was thus out of fear of the people from whom they claimed to come that Taraki and Amin blocked any change in the rural sector and undertook ferocious repression of all of those who would not submit to the Kabul regime. The story is told, for example, that in a given village nonirrigated land was distributed, or in another case a peasant was assigned land located 300 km from his native village, while no public organization took over from the landowner and the usurer to provide facilities for exploiting the land or the credit needed to purchase seed for the next harvest.

Everything was done, it appears, to ensure that these reforms with their generous inspiration failed and that the symbols of emancipation would become the synonyms of oppression.

No Mercenaries--American, Chinese or Zionist!

There were often very violent clashes between the Kalquis and the people. Often, moreover, government soldiers deserted to join the mujahiddin, after being urged by them via loudspeaker to do so.

The offensive military operations undertaken by the government troops became less frequent as the months wore on, as the rate of desertion increased and the general morale of the soldiers dropped. They were limited to the operations of maintaining order and repression, under the close supervision of the Soviet allies, who no longer trusted them with semiheavy weaponry such as Dachaka machine guns or antitank bazookas, out of fear that they would be turned upon them following desertion by these soldiers. The Soviet troops placed themselves behind the Afghan government troops in combat for greater safety.

Where the expeditionary corps is concerned, things are not going well. The Soviet soldiers have realized that their officers lied to them and that they are not combating American, Chinese or Zionist mercenaries, but Afghan natives instead.

They do not really understand--how could they?--how the liberating mission of foreign powers and the emancipating tasks of the feudal exploiters fit with their military intervention assignment. They are thus aware that they are waging a "filthy war" and are trying to put it out of their minds while buying food--fruit or bread--to supplement the ordinary camp fare, or consumer products which they cannot buy in the USSR, such as quartz watches, jeans and even hashish. They obtain the money required by selling gasoline, military equipment and even ammunition.

The mujahiddin have noted that the Soviet columns quickly "fall out" when they meet with a bit of resistance. In fact, Kabul and the expeditionary corps have contented themselves with managing the limited territory still under their control, and do not engage in military operations except in case of extreme need. Otherwise, all one sees now is rapid, murderous clashes when a government convoy is attacked or during the subsequent reprisal operations against the surrounding villages.

A Bid for Religious Support

One also sees that in the cities, such as Kandahar, occupied by the Soviets during the day and by the resistance forces by night, brief and violent battles take place at dawn and at dusk.

An army in which the troops question the validity of the reasons for their action fights badly, whatever the quality of its military equipment. The relatively large number of their victims (several thousand, it appears) not only increases the skepticism of the troops, but is giving rise to increasing censure in the country.

Wasn't Lett kolkhoz member T. Madison sentenced to 4 years' hard camp labor and 2 years of exile for protesting against the Soviet intervention in Afghanistan? As a result, the Soviets are trying to limit the clashes increasing the number of victims and are seeking no further strategic advantage, but have regrouped, since the end of the "cleanup operation," in the conquered valley.

"The Kabul government, progressive? You're joking!" expostulated the engineer we met in Jalrez, a town located 60 km to the West of Kabul. In fact, since its establishment, the policy of the Karmal government has been limited to creating the "Front of the Mother Country," which is supposed to rally all of Afghan society, including the landowners and the mullahs, and to postponing until "after victory over the bandits" any implementation of a reform policy. The government is even engaging in religious bidding to win over the mullahs and the assistance of the private sector to the extent that it can.

The living conditions for the little people in the towns have deteriorated considerably, and if wages have increased a little, the income of tradesmen and craftsmen has been substantially reduced because of the special political conditions in the country, which hardly favor business, one could say euphemistically. And if we note moreover that prices are rising at a rapid rate, we can only conclude that the purchasing power of the least-favored strata is declining.

The other aspect of the Karmal policy involves prohibiting any free expression of opinion--press, political party or assembly--and arresting all opponents or anyone who fails to cooperate. If the situation has improved in the prisons since the butcher Amin was ousted, the fact nonetheless remains that they are full of innocent victims.

Support of the Pashtun Regime

How, under such conditions, can the Kabul government hope to win the support of the oppressed people it claims to represent?

The government is trying to aid small capitalism--large capitalism does not exist--by encouraging trade with the zones it does not control. In fact, travelers and goods move almost normally from one zone to another, but as a merchant at the Bessoud Bazaar explained to me, "The Russians want to guarantee and aid capitalism, freedom of trade, but we prefer aid in a sector of the country where a free economic system actually exists." I was even told that Nour Al Nour, Karmal's minister, still owns his vast property in Mazarisharig, which is worked, as before, by the peasants.

We find a paradoxical situation wherein the Soviet army came to support the feudal Pashtun regime threatened with collapse, since its institutions and centuries-old tribal structures are anachronistic and hinder the economic and social development of the country which began to develop since Daud accepted foreign aid in 1973. Thus the goal pursued seems clear: it is not a question of contributing to any social revolution in the country, but of re-establishing a strong regime, whatever the southern frontiers of the empire may be and whatever national and democratic claims may arise. This thesis is confirmed by the fact that in neighboring Iran, the Tudeh, the pro-Soviet Iranian communist party, supports the obscurantist and dictatorial regime of Khomeini, while everything associated with liberalism or socialism is resolutely beaten down in that country.

The situation in the liberated zones has developed considerably in the past 2 years, and even since last year, when I visited Nuristan (see the report by this author which appeared in L'UNITE, issues 395 and 396).

Often, the notables and mullahs who constituted the majority in the committees in the period following the expulsion of the Kalquis, were replaced in part by young combatants who had worked up their courage or their skill, or by engineers, former military officers or teachers whose organizational abilities or capacity to understand and explain the situation were acknowledged.

The movement back toward the countryside, involving a number of college and secondary students and intellectuals, as well as the intelligent policy of explaining events undertaken by organizations espousing socialism, such as the organization for the liberation of Afghanistan (Zazmane Rehai Afghanistan), which I found to have real support in the Hazarajat, or the Sama, another active leftist party, have greatly contributed to the positive development of thinking in the countryside.

In 2 years, the civilian and military organization has consolidated and lost its familiar childish and folkloric aspects which, if charming, were nonetheless ineffective.

The Mullahs' Authority Challenged

Certain committees, such as that which could be called the government of the Hazarajat, have created commissions responsible for the war, police, justice, cultural, propaganda and economic sectors.

The Choura-Ettafa, or government of the Hazarajat, has thus created six provinces headed by a "walli," or governor, assisted by five commissions modeled on those of the government established in Varas.

These governors have fighting units whose soldiers and weapons are variously assigned: They collect the Islamic tax, or zakat, which is a tithe collected on all income; they implement civil justice through the competent commissions; they try to manage the economic assets as best they can to come as close as possible to self-sufficiency. For example, I saw areas cleared and cultivated in order to improve the supply of wheat in one province.

Since nine tenths of the country has been liberated, and military operations are limited--the Soviets do not dare to venture outside the cities and the roads accessible to tanks for long, while the mudjahidine cannot safely venture into the areas where

tanks maneuver—the Afghans are holding meetings, and different views as to how to manage the village or the region naturally arise.

After a period of real chaos, in view of the betrayal of what seemed initially like a government of the people but which proved to be their enemy, the peasants are slowly beginning to become aware of what the authority of the mullahs, where it was imposed, in fact meant.

In Sanghe Machal, Jaghory province, in the Hazarajat, the committee, wholly under the control of pro-Khomeini mullahs, prohibited any spoken or written views except those of its propaganda commissions, converted the only classroom which survived the bombing of the school into a teahouse, prohibited music, imposed a curfew, and required that weapons be turned in to the committee headquarters.

The people are increasingly intolerant of this "white terror," the "law of the mullahs," as they call it, and the fees they demand for any government certificate needed to carry out the civilian procedures of life and travel. The mullahs are also criticized because of the fact that they do not work, for using tax money for personal expenditures, and because of the fact that they fled in August 1980 when an armored Soviet column moved into the village.

Despite the prohibition on meetings, I attended a gathering of about 200 opponents in a field, in the course of which the pro-Khomeini mullahs were openly decried.

Within this context, the Westerners and the non-Moslem foreigners are viewed very much askance by the authorities, particularly when they come from a country which offered political asylum to Bani Sadr and are proud of it. Having been "confined to domicile" in a teahouse in Sanghe Machal, I was visited by a number of villagers who came to voice the support of the people for me as a citizen of a country which gave asylum to Bani Sadr, and a member of a committee for aid to the Afghan people, and what I represented, i.e., solidarity on the part of the democratic public of Western Europe.

Some young people, taking advantage of the fact that the militiamen, recruited for the most part from among the most backward strata of the population, do not understand foreign languages, told me in English or in Russian of their solidarity, and after establishing with whom it was that they were dealing, they told me: "Mitterrand is a real socialist: You are lucky," or "Mitterrand will surely do something for us." In all cases they expressed the hope of getting rid of a foreign army and the mullahs once and for all.

I was as surprised as anyone to encounter throughout my trip a major sector of opinion desirous of eliminating this double oppression, and closely attentive to what the public in Europe says or does.

I met a number of commanders or officials in charge of fronts in the course of my trip, such as Khalib Dad, in Bessoud, and Hadji Nader, in the Turkmen region, and the coincidence between their political and geographic position, sandwiched between the pro-Karmal and the pro-Khomeini authorities exerting pressure on them alternately from Kabul and Varas, has struck more than one observer.

Ammunition for a Later Date

A number of efforts to rally these "independent" fronts which favor pluralism and differences of opinion have occurred. This is the purpose of the Ettehadia e Modjahidine i Islami Afghanistan organization, whose president, Mr Maksoudi, a former deputy in the royal parliament, explained to me that "the mudjahidine have the support of a vast majority of the people, and the resistance enjoys increasing support--at least subjective--from a number of peoples, while Karmal and Moscow find themselves increasingly isolated. This is why we will win in the end."

The Soviets have in fact suffered losses on all levels. In the military sector, they failed to occupy the country or to destroy the mudjahidine armed units. Politically, they have failed to rally the people in support of the Kabul government and its allies. On the international level, they have won nothing but condemnation and the mistrust of a number of the nonaligned nations of the Third World.

Liberation war and social struggle are intimately intertwined. So much so that as the former MIG pilot who is now the military commander of the Farah Front says: "The parties in Peshawar are not distributing all the weapons. They are saving them, with the ammunition, for later."

Even if, thanks to the kings and their successors who governed the country in the past, most Afghans do not know how to read or write, they have been forced by events to wonder about the organization of their society. The gaining of social awareness is developing slowly, because of the economic, cultural and social backwardness of the country. But the traditional intertribal conflicts have been rapidly replaced by the clashes between the peasants and the abusive authority of the mullahs, who represent, generally speaking, the interests of the nobility and the landowners. Visibly, the military and political retreat of the Soviets has paralleled the increased social awareness of the Afghan people and their re-emergence as such on the political scene. There is in fact an obvious correlation between these two phenomena which enables us to view the future with optimism.

While the pro-Soviet faction is kept in place by an expeditionary corps of 100,000 men and the integrist factions benefit from the aid of the Moslem brothers and certain foreign nations--Iran for the Shiites in the Hazarajat, and Egypt, Saudi Arabia and Pakistan for the integrist Sunnites, the liberal, democratic and even socialist faction is forced, for lack of foreign support, to remain cautious or secret, to avoid aggravating the persecution to which the two other factions subject it.

Why couldn't we grant the Afghan people support, as a country which morally and symbolically has become a great power again, just as France did with regard to the people of Salvador, in a gesture one of the goals of which is to prevent limitation of the conflict to a battle between the two great powers for influence?

5157

CSO: 4619/29

EXPLOITATION OF HEAVY OIL CONSIDERED

London 8 DAYS in English No 50, 19 Dec 81 p 53

[Text]

THE HEAVY Oil Conversion Company (HOCC) has been set up in Bahrain with an initial capital of \$2m. The company is owned 40 per cent by the state of Bahrain and 30 per cent each by Saudi Arabia and Kuwait, and will be restructured after the completion of a feasibility study to determine the most economic use for heavy oil and the investment required for a reprocessing plant.

Negotiations will be carried out with consultants over the next three months, and the study is scheduled for completion by the end of 1982. Heavy oil products represent about 31 per cent of the throughput of the 250,000 b/d Bahrain refinery. Leaving aside the 40 per cent Caltex share, the Bahrain government would, therefore, have a maximum of 45,000 to 50,000 b/d available.

Some of this might profitably be sold as fuel oil or for the manufacture of asphalt, but if it is decided to reserve all the Bahrain heavy oil as feedstock for a hydrocracking unit, then some kind of market substitution might be worked out with Saudi and Kuwait supplies.

The consultants will also evaluate the commercial viability of building a large-scale project (90,000 b/d has been suggested) requiring the import of feedstock.

Both Kuwait and Saudi Arabia already have hydrocrackers, and alternative processes for Bahrain will be considered.

Meanwhile, Opec has warned that, by maintaining artificially low prices for petroleum products, Arab oil states will impede development of new and renewable energy technologies. The organisation's latest monthly bulletin states that energy consumption in the Arab world has been rising at an annual rate of 10 per cent, and has now reached almost 17 per cent of production in major oil exporting countries. At this rate, more than 50 per cent of production, at current levels, would be consumed locally by the turn of the century.

Accelerating consumption of petroleum products has 'alarming implications', says the editorial. In particular, it highlights the effect of artificially low product prices in Opec member countries. 'The subsidy will amount to millions of dollars annually in the smallest oil consumers of our member countries, reaching billions of dollars in the highest consuming members by 1990.'

The gradual increase in prices, while emphasising lower consumption in luxury uses, should be applied in such a way as to have little or no adverse impact on the production sectors of the economy, says the editorial.

CSO: 4400/110

BRIEFS

'ASFUR AND AL-KHULI TO RETURN--In a few days Dr Muhammad 'Asfur, the lawyer, and Lutfi al-Khuli, the writer-journalist and member of the [National Progressive Unionist] Grouping Party will return from Europe. 'Asfur and al-Khuli and the writer-journalist Muhammad Sayyid Ahmad were abroad when they were included in the detention order which was issued last September as part of the orders on national unity. Muhammad Sayyid Ahmad returned and attended last week the Grouping Party Council meeting. [Text] [Cairo AL-AHRAR in Arabic 4 Jan '32 p 1]

CSO: 4504/165

REVOLUTION'S IMPACT ON SOCIETY DESCRIBED

Mores, Customs, Laws

Paris LE SOIR in French 18-22 Dec 81 p 5

[Article by Claude de Groulart: "Terrifying Bigotry"]

[Text] Few press correspondents are now allowed into Iran. Those who are there quite often must resort to self-censorship out of fear of having their residence permits withdrawn or not renewed. The presence of foreign technicians, businessmen, or experts declined considerably with the passage of the many months since the fall of the shah. To get a better idea of what is going on in a country which clutters the record of daily events through bloody and spectacular terrorism, as expressed by the numerous executions and punishments that smack of medieval cruelty, we questioned a certain number of persons who are quite familiar with Iran and who left that country, temporarily or once and for all, over the past several weeks. This is the beginning of the publication of a summary of their tales. There is one single thread that runs through the entire story: it is every man for himself. Or, it is every man in the elite for himself, at least. Engineers, doctors, and members of the academic community are leaving in droves. More than one-third of the doctors have left Iran and their absence is already making itself felt very cruelly: it is expressed by a disquieting resurgence of malaria and even cholera also as a consequence of the war.

Anything goes when you want to leave the country. Real and lucrative lines of escape have been organized and they filter the candidates for exile across the borders of Turkey and Pakistan. It costs the equivalent of between 20,000 and 10,000 Belgian francs, depending upon the itinerary. The faraway borders of Baluchistan, where the tribal guerrillas, encouraged by the supporters of the shah, have been at work for several months, are less expensive than the more comfortable "Turkish connection."

What is behind this exodus? The insupportable mixture of chicanery and threats brandished in the name of a fanatical and narrow-minded conception of Islam which forces everybody to live in fear of being denounced for impious behavior. There is

nothing today to hinder the all-powerful "Committee Against Corruption" which may at any moment invade the homes of private individuals in search of alcohol, magnetic tape cassettes, or records containing "impious" music, games (cards and chess are forbidden!), books banned for political reasons, even simple fashion magazines whose possession, although their sale is not formally forbidden, can nevertheless be used as evidence against a person charged with "bad reading."

On the big boulevards in the capital, the stalls of itinerant vendors, who sold cursed cassettes and video-cassettes, have been bulldozed. The songstresses are particularly denounced and have become the favorite target of the regime's censors.

It is naturally those women who have more or less accepted the Western way of life who pay most heavily for this frightfully strict and rigid system. It is now no longer possible to enter a restaurant without wearing a scarf and the same is true at the airport, both on arrival and departure, for everybody, including foreigners and non-Muslims.

The ideal professed by the regime is the return of women to the home; however, not daring to impose this through direct force, the regime resorts to bigoted chicanery for this purpose. Any kind of makeup is rigorously prohibited in the government and lips that are naturally too red must be "toned down." The wearing of very wide trousers and a duster extending all the way to the knees has been made obligatory so that the shapes of the female body may be "erased." The nape of the neck is a very special target of repulsion and the least little bit of hair that comes out from under the scarf can be the cause for severe reprimands. Veritable detachments of harpies are often stationed at the entrance to office buildings; they have been nicknamed "the sisters of Zeynab" who, provided with the proper authority, inspect the clothing of employees, checking, for example, whether the length of the sleeves is properly "Islamic" and thus carefully conceals the wrists and making sure that the hands are not decorated too much with rings.

A Man and a Woman

Taking a female fellow worker at the office back to her home may signify something which sometimes is the supreme punishment: the obligation to marry her on the spot. Laughing or bantering most innocently with anybody other than your wife before Allah will expose one to the worst misadventures--such as the real story involving a man and a woman in Iran today. A vehicle stopped at a red light. Revolutionary Guards approached. Unusual behavior had attracted their attention. The driver and the lady passenger were laughing out loud. Could it be perchance that they were making fun of the guards? And, to begin with, are they married? Unfortunately for them, they were not. So, they were hauled off to the guard station. They were just passing the time of day but he had to spend the night among the drug addicts and she had to spend the night with a bunch of "loose women" rounded up during the day.

This sort of thing of course may seem to be a rather minor event when compared to the much more atrocious thing that happened to an unfortunate thief whom a Koranic judge sentenced him to have his hand cut off. Contrary to Saudi Arabia or Pakistan,

who also apply this pitiless "justice" the operation in Iran is performed without anesthesia and without the presence of a doctor. In the case reported to us, the amputation was performed with an electric saw, causing terrible hemorrhage, leading to the victim's death.

Political repression is even more ferocious than religious persecution. Today, even peaceful participation in demonstrations leads to an immediate appearance before the firing squad. Recently, injured persons, considered enemies of the regime, were taken out of the hospitals and transferred to the Evin prison where they were court-martialled and shot forthwith.

Most often, justice is administered by low-level Qadis (Muslim judges) whose knowledge of the law is very limited. The Islamic Penal Code itself has been patched together and has less than 200 articles. Judges do not hesitate to base their rulings on the apocryphal actions and "sayings" of the Prophet (hadith) which moreover have been challenged by the best experts on Islam.

Stoning has been rejected by numerous clerics who believe it to have sprung from Jewish and non-Muslim tradition. It is nevertheless being used currently primarily in the repression of adultery.

The regime sometimes trips over its own commandments. At first it was against importing frozen meat since the sheep had not been killed according to the Muslim rite. But Iranian ports are so jammed at this time that vessels carrying sheep from New Zealand after waiting several weeks had to dump the cadavers of the animals into the ocean, which of course polluted miles of beach. Iranians today consume something like 90 percent frozen meat and that is a kind of irony.

This implacable rigidity has plunged the country into a growing malaise, our witnesses assured us. It reached its high point with the campaign to get "Islamic mothers" to denounce their children. This campaign met with little success because it ran into a brickwall of real Muslim tradition: you do not attack the person who lives under your roof, even though you may have let your enemy in. Even less so does one go after one's own children. Some mothers denounced the friends of their sons or daughters, creating an insupportable climate in the family. "In my own family, which has more than a hundred members," another witness told us, "a single mother tried to 'rat on' her daughter's boyfriends; the daughter, intrigued by her mother's behavior, had time to warn her friends. When the officers of the anticorruption committee arrived at the place indicated to them, they only found two outlawed works, that is, 'L'Economie monotheiste,' by Bani Sadr, and 'La Plaidoirie de feu le docteur Mossadegh devant les tribunaux du chah en 1953,' two outlawed works which they however were content with tearing up!"

Sometimes the ways of behavior, especially those displayed by the "Westernized" women, are more refined. As evidence we might mention a true story that happened to a young teacher training college graduate. To get a job as a teacher, she studied the subject of religion very hard since it was naturally a required course. She passed her examination with flying colors. The chairman of the examination board congratulated her and, before giving her the diploma, he extended his hand to her. The girl, quite moved, extended her hand. The chairman quickly took a step backward and fired an angry glance at her. "It was the last piece of

evidence which revealed that you were not really Islamic deep down at heart. You should have known that any physical contact is forbidden between a man and a woman who are not married." The girl suffered a nervous breakdown.

There is a single ray of light--although a relative one--in this very dark picture. Contrary to a very widespread impression, homosexuality as such--although very widespread--is not being punished. Only pedophilia, that is to say, the sodomization of very young children, is punished, without pity, as the rest.

Although this situation has not or has not yet given rise to mass revolt movements, it has nevertheless given rise to tremendous smuggling, extending from banned cassettes to contraceptives and including social games.

The clandestine distillation of alcohol is an everyday event. As everywhere, prohibitions engender hypocrisy and mute revolt. To survive, the sanctimonious regime conceals Iran and what is happening there, outlawing a growing number of books and closing the universities. Until such time as there could be an Islamic program for mathematicians, the authorities say gravely! Q. E. D.

Political Rivalries

Paris LE SOIR in French 18-22 Dec 81 p 5

[Article by Claude de Groulard: "The Regime, Its Friends and Enemies"]

[Text] In Tehran or elsewhere one can more and more frequently hear the following conversation: "Just the same, during the time of the shah, life was less expensive and you could find more things to buy." "Undoubtedly, but political repression was fearful. Do not forget imprisonments and torture." "Perhaps, but for a crime which yesterday would get you 1 year in prison, you are shot in cold blood today. Take the Mojahedin: the shah had killed 150 of them; today, more than 2,000 of them have already been executed." This kind of talk is indicative of the depth of disenchantment which is spreading among the various population strata who with more or less ardor had supported the Khomeyni revolution. This raises one question: who today still supports the establishment, its imprecations, its prohibitions of all kinds, its militias, and its firing squads? The answer is not clear-cut.

"It is true that the Khomeyni followers can still get crowds of 600,000 or 700,000 persons to spill out into the streets of the big cities, especially Tehran; this is certainly quite considerable and 'intimidating' even though this number is far from the 2 million currently mentioned. A figure of 1 million persons was given for the Friday prayer which is arranged as a high mass by the regime. Let us say that the very thick crowd would certainly have filled a soccer field, including the edges. That would give you a good score of thousands of persons. And then you have to multiply that number by two since the women pray elsewhere."

It must also be kept in mind--another witness notes--that a portion of this crowd is not necessarily there out of its own free will. Islamic neighborhood committees or enterprise committees are at work just about everywhere and they take the names of the "idle," those who refrain from protesting or praying. Another method of pressure consists of the award of ration stamps which are good on the well-known Islamic markets where the regime sells goods, purchased abroad, with its petrodollar earnings, either at reduced prices or simply distributes them. In this way it gets a "following"--in the Roman sense of the term--whom it supplies with bread and games, of course, cruel games.

A slightly more sociological approach reveals that the regime draws its real support from the entire petty bourgeoisie, the group from which, precisely, it recruits the mullahs, and the small business operators and workers in the craft shops, in contrast to the workers in the big companies and corporations who are more receptive to the pro-socialist variations of Islam. Overall, that adds up to around 15 percent of the population.

"That is relatively little in absolute terms," a participant commented, but it is much in reality if one keeps in mind that this minority controls all instruments of command as well as the armed militia units who make sure that its power is respected, not loved.

Army and Police under Control

"All instruments of command would be a little bit too much," one speaker objected. One of the limitations on the power of that group is the quality of the recruits it gets, more specifically, the absence of skills. In quite a few areas, it is forced to compromise, especially in the army and police, where it had been forced to hold on to specialists even though they may have been military personnel with liberal or pro-Western ideals close to Bazargan and the moderates of the National Front or, worse than that, agents of SAVAK [Intelligence and Security Organization] who were already at work under the shah. These people are the subject of tenacious distrust, especially those members of the military who are regularly purged, although the government does not dare to "purge" them in large numbers.

"Take the mishap which befell the Revolutionary Guards, the Pasdaran," somebody said. They wanted to get their hands on an aircraft--no less! They took several tens of recruits to the instructors at the Tehran airbase and told them to turn them into combat pilots forthwith. Now, most of them were not even able to read ten lines of English, the language used in the training manuals. Then one of the clerics made the following nutty remark: "That does not matter; simply order the Persian version of these manuals from the United States!"

When the war with Iraq broke out, one cleric, the Hadjatolessalam Ghaffari, recruited 2,000 youngsters in Tehran. The moment they arrived at the front, they charged the enemy, shouting "Allah Akbaz." They were wiped out almost to a man. The army only has contempt for this kind of absurd behavior although it is forced to obey.

"Should we include the army among the opponents of the regime?"

Here is the answer: in general terms, no. The army has been infiltrated by a thousand and one currents, including the Islamic current. But the fight against the Iraqi enemy is mobilizing its energies and is monopolizing its concerns. It had to start reorganizing feverishly; you must realize that, when hostilities broke out, only 28 tanks were in running condition in Khuzistan! It is a miracle that the Iraqis were unable to push their initial advantage any further. But it must be noted that it was in the army where Bani Sadre found men to help him escape to Paris.

While the army is staying out of politics, it is nevertheless not difficult to find an opposition or, more precisely, opposition groups, most of which are armed.

The "Greater Persian" and Shiite Chauvinism of the regime from the very beginning clashed with certain minorities, including the Kurds who have been fighting against that sort of thing in their mountains. But, starting this year, the royalists managed to persuade a certain number of tribal chiefs in Baluchistan to join in the rebellion; Baluchistan is the desolate region along the border with Pakistan, where the garrisons of the Pasdaran are virtually under siege. Their rare attempts at breaking out end in bloody defeat. One of the latest along the outskirts of Zahedan cost them 37 dead.

The Communist "Submarine"

Apart from the case of Baluchistan, which has not yet left a blemish, the operations of royalist elements, with whom Shahpur Bakhtiar now seems to have made common cause, still seem to be confined to places outside Iran. Another group--the so-called democratic opposition, made up of liberal or social-democratic groups close to the old National Front--is operating in the interior but in a highly confidential manner, confining itself to the distribution of tracts or brochures.

The same goes for the lay, formerly redoubtable leftists, the famous Fedayyin, who no longer constitute a major threat. The movement has split in two, with the majority falling in behind the regime. Only a minority continues the fight without however having the strength and organization of the redoubtable Mojahedin, which we will talk about in greater detail.

Collaboration and even "joining" are also on the agenda of the communists in the Tudeh Party. The position of those communists is ambiguous. Their party was not dissolved but their newspaper has been banned and their leaders--who nevertheless support Khomeyni in their writings--live practically underground. But the strength of the Tudeh Party resides, on the one hand, in the quality of its cadres and its ability to benefit from the anti-Americanism of the masses and the regime, as well as in the existence of a "submarine" the Democratic Union of the Iranian People, directed by the writer Behazin, whose daily, L'UNION DU PEUPLE, appears freely on 16 pages.

The communists--several observers noted--are pursuing a very skillful policy: they infiltrate the regime to accentuate the hateful character while making sure to keep its anti-American character at the highest possible level. Up to a certain point, the Mojahedin seem to be after the same objective, sparing the most

controversial or the most fanatical personalities of the regime, such as the ayatollahs Rafsasandjani or Kalkhali or the sadly famous judges and prosecutors at the Evin prison; on the other hand they try very hard to wipe out the moderates, such as former Premier Bahonar who wanted to pursue a more realistic policy.

Finally, according to the people we talked to, a new opposition group, with rather redoubtable extensions as far as the regime is concerned, appeared recently: this is a group of really fundamentalist clerics because they reject the excessive politization of the clergy and they want to dissociate religion from politics. This group has emerged among the young mullahs of Qom several of whom have already been executed. They are in some way the Protestants of Shiism.

Position of Mojahedin

Paris LE SOIR in French 18-22 Dec 81 p 5

[Article by Claude de Groulart: "Those Mysterious Mojahedin"]

[Text] Their strength undoubtedly in the beginning came from their prestige, from the fascination which they were able to exert and from their also very ancient guerrilla activities. They fought against the regime of the shah with weapon in hand while Khomeyni was just one of many other exiles. They have their martyrs, an aspect which is helpful in impressing a Shiite population raised in the myth of the redeeming sacrifice. The man who told us this is quite familiar with Iran, its diversity, its contradictions, and its composite culture.

The ancient record of the underground struggle taught them the virtues of compartmentalization. After the revolution, in which they participated to a by no means negligible degree, the Mojehedin took the precaution of not letting their fighting structure appear in the light of day. They quickly established a civilian organization, the "National Organization of the People's Mojahedin," which is the visible portion of the iceberg. This organization patiently trained cadres, often teaching them how to read and write before indoctrinating them.

Other good methods used were those of the Communist Party! Especially the latter's famous democratic centralism which means that the minority, after discussion, bows to the decisions of the majority without a murmur and may even on a priority basis be charged with implementing those decisions. As a result of that they have had some defections but they did not suffer any split or dissidence. Undoubtedly--another discussion participant commented. But all of this means little without the number and quality of their recruits. Their mixture of socialism, Islam, and nationalism seduces the young people in the universities and high schools; their skill in striking the adversary hard fascinates many individuals. As the regime slides toward conservatism under pressure from right-wing clerics, the "Mojahed" ideology gathers a large number of workers in medium-scale and large-scale industries where they effectively spread the propaganda and strengthen the prior holds of the Communist Party, the Tudeh Party, which has become bourgeoisified and which has been turned into a party of intellectual cadres with a relatively advanced average age.

Laics and Left-Wingers

The ideology of the Mojahedin presents a good number of similarities with that of the Palestinian Fath which, by the way, takes care of the military training of some of its cadres. Like Fath, the Mojahedin are resolute supporters of a lay state where Islam certainly would remain the state religion but without many more of the privileges than the Catholic religion in Belgium. This denominational liberalism clashes with the intolerance of Khomeyni-style integrism and has earned them active sympathy within the minorities, especially the Sunnites and the Kurds. Their political theory is aimed at a kind of self-management socialism which tolerates "nonexploiting" private property and a certain degree of political pluralism within the general framework of the acceptance of the basic principles of socialism. In foreign policy, they are differentiated by a pragmatism heavily tinged with nationalism. All political and economic relations must be cultivated, provided they benefit Iran. Of course, animosity persists toward American "imperialism" but Western Europe, on the other hand, is a desired partner, as witnessed by the exile, in France, of the movement's leader, Radjavi, and that of course includes the Soviet Union. Once again, this pragmatism reminds us of the pragmatism of the Palestinians or the Algerian FLN [National Liberation Front]. But what about the following, among the masses, for a movement whose militants are not afraid to defy ferocious repression in the streets, weapon in hand? Our conversation partners told us that one must distinguish between the aptitude of the Mojahedin in infiltrating the Khomeyni system and their penetration among the masses. The fact is that they have been able on several occasions to strike at the very heart of the regime. When one of theirs, Keshmiri, exploded a bomb which, among others, killed the president of the republic and the prime minister, the Supreme Iranian Security Council, whose secretary happens to be Keshmiri himself, specifically discussed measures to be taken to counter the growing organization of the Mojahedin. The wave of bloody executions which decimated their sympathizers did not reach the "big fish." In spite of the pursuit they were subjected to, only four of their hideouts were discovered in Tehran and their capture each time required 7 or 8 hours of fighting with the regime's militia.

Capillary Penetration

As to their effective popular impact, there are some indications which enable us to estimate it. Their journal, MOJAHED, at the time of Bani Sadr's downfall had a circulation of as much as 500,000 copies, in spite of its forced underground operation, in other words, the combined circulation of Tehran's two biggest dailies! During certain parliamentary by-elections, in other words, local elections, in which some of their more less avowed supporters run, they have been able, in some towns, to get as much as 40 percent of the votes.

The effectiveness of their propaganda underscores a capillary penetration which goes far beyond the group of the regime's dignitaries as such. In a thousand different ways, for example, they disseminate their tracts which are sometimes inserted into the newspapers delivered by the mail and sometimes, more picturesquely, along with chicken giblets. Their helpers in the PTT [Post Office, Telegraph, and Telephone Administration] facilitate the almost daily broadcast, from abroad, of messages from Messrs Bani Sadr and Radjavi. With this in mind, the following of Mojahedin varies according to social strata, regions, religious denominations and

tribes. They are strong among school youths and factory workers and among the petty bourgeoisie; their regional bastions are the North and the shores of the Caspian Sea, inhabited by composite population groups of Caucasian origin which are more subjected to European influence; Azerbaidjan and its large Turkish-speaking population which is less subjected than elsewhere to the spiritual influence of Khomeyni. They are well represented also in the industrial suburbs of Tehran and in the city of Shiraz which has a liberal tradition. It is generally believed that they, more than any other opposition movement, are capable of benefiting from the disappointment of the masses who are victims of the deterioration of their living conditions. The ferocity of repression of which they are a target, in recent weeks, it seems, however, caused them to put a damper on their most spectacular activities. But perhaps this is only a respite before some new and terrible bludgeon blows.

The photo shows former president Bani Sadr, on the left, accompanied by Massud Radjavi.

Plight of the Economy

Paris LE SOIR in French 18-22 Dec 81 p 5

[Article by Claude de Groulart: "A Dying Economy"]

[Text] Everything is falling apart; the unemployed are counted in the millions. The agrarian reform has been cut short. The gold and foreign exchange reserves of the National Bank dropped to 25 percent of coverage for paper money in circulation, in other words, the legal minimum. Petroleum exports now only come to no more than 40,000 barrels per day and from the revenues derived from this thin line of black gold the government must take what it needs to purchase weapons representing a drain of \$6 million per day. Here are the main findings on the Iranian economy and all of them are lugubrious. This is undoubtedly where the regime has its failure which, if not the main failure, at least is the most tangible failure, the failure that is most easily expressed in statistics. Iran today imports much more food (six times more meat) than under the shah who, not without reason, was accused of likewise having considerably disorganized agriculture.

The war, certain experts note, is partly responsible for this state of affairs but the break with the West and the brain drain are even more responsible for this. The destruction of the Abadan refinery has forced Iran, an exporter of crude, to import refined petroleum which until now has been supplied by Libya; but these two countries, it is said, have definitely come to a parting of the ways. Iran imports just about all kinds of petroleum products, including heating oil and winter now promises to be rather harsh in the high plateaus.

The growing shortage of raw materials and the absence of investments have forced prices up in tremendous proportions and, for the poorest, who are aided by the regime, have brought about a very rigorous rationing of the principal basic products,

from meat to soap. Money has been devalued tremendously and is now accepted at the rate of 15 percent of its value prior to the revolution in the ports along the Gulf.

One of the persons we questioned complained that nobody does any investing any longer. Close to three quarters of the budget go for salary and operating expenses; each year, between 700,000 and 800,000 young people join the labor market and help to swell the ranks of unemployed.

The noose is slowly being tightened, another one remarked. One of the last spigots supplying the regime has now run dry; since the month of August, Washington's payments of the amounts representing the ransom for the former hostages came to a stop. The conditions for a subsequent revival of the economy become more and more hypothetical with each passing day, not only because of the brain drain and the elimination of those brains but also because of the absence of any maintenance of the economic instrument as such, especially the petroleum installations which, due to the absence of foreign experts, would be very difficult to get operating again in the future at full speed.

Producing little, Iran tries to sell its petroleum at ever higher prices on increasingly glutted markets. Tehran has just failed in getting several contracts both with the East and with the West. The Japanese and the British have just demanded a cut on \$4 per barrel which Tehran rejected, while an Iranian delegation, which had gone to East Germany, came back with empty hands. To that you must add that a portion of the petroleum sold is only fuel used for ships and sold only at \$20 per barrel. Regarding natural gas, here again the customer, this time the USSR, is shying away because of the excessively high Iranian supplier prices. "In the meantime," another speaker complained, "the country has to pay for its imports, such as meat from New Zealand, poultry from France, and wheat purchases from the United States via neighboring countries, such as the Arab Emirates or Pakistan whom Iranian policy permits to play a fruitful role as middlemen or even smugglers.

The Stretched-Out War

All witness however agree: weapons purchases continue to be the main source of the foreign exchange drain, amounting to \$6 million per day, in other words, something like 80 billion in Belgian francs per year. This equipment is shipped primarily through North Korea where Rafsasandjani, the president of parliament, went recently to meet with a Soviet military delegation; as for Western equipment, on which Iran continues to depend because of the policy pursued by the shah in the old days, the country has to supply itself on the open market and that comes high.

This drawn-out war, somebody remarked, made it possible to stop the agrarian reform which displeased the conservative ayatollahs who had little desire to go after the money suppliers in the person of the big landowners who, when necessary, generously reward their good works.

Some after the revolution, starting in 1979, we were reminded, Bazargan and his administration of bourgeois liberals launched a moderate reform calling for the grant, to the peasants, of crown lands and land confiscated from the dignitaries of

the old regime. In March 1980, in the midst of the hostage affair, the regime became radicalized and the movement hardened. The Council of the Revolution in succession passed three patchwork laws but, starting in September, the outbreak of hostilities with Iraq threw the whole thing into reverse. In the meantime, it is true, pressure from left-wing elements inside the regime has diminished. It is said officially that one must avoid disorganizing production. The Ayatollah Montazeri, the virtual successor of Khomeyni, proclaims that there is no question of redistributing effectively cultivated land; the reform, he says, must be aimed at cultivating virgin land, which is mostly desert.

In the meantime, these aboutfaces have created a feeling of insecurity in the rural areas. The old big landowners, like the "new small landowners," unsure of what they own, have hardly begun to plant anything. The others produce the minimum. This results in serious shortages which hit the provinces even more so than Tehran, in spite of massive imports. Even bread is beginning to be in short supply in several regions.

Another speaker noted that the regime had to beat a retreat in yet another field: foreign trade. Its nationalization looks good in the constitution of the Islamic Republic but here again the process was reversed rapidly since the authorities were content with creating mixed companies in which the clerics placed their friends and their followers who are generally incompetent.

This drift of the economy is slowly undermining the social foundation of the regime by regularly increasing the number of malcontents. The comparison with the old regime, which was so detested when it fell, turns out to be less and less favorable to the new regime. The persecuted minorities, be they ethnic, religious, or social, the disappointed younger generation, the crippled army, and even a portion of the clergy whose members feel that their ideals were betrayed by the integrists are more or less openly rallying the various opposition groups, gradually turning the Iran of the ayatollahs into a powder keg.

5058

CSO: 4619/30

VARIOUS ISSUES DISCUSSED BY LIBYAN ENVOY IN TEHRAN

Tehran ETTELA'AT in Persian 20 Dec 81 p 13

[Text] "The United States considers aid and support to the Palestinian revolution to be terrorism, considers aid and support to the Polisario liberation movement confronting Spanish colonialism to be terrorism, considers aid and support to the Mozambique movement confronting Portuguese colonialism to be terrorism, considers aid and support to the Moslem people of Zimbabwe, Chad, the Philippines and Fatani to be terrorism, considers aid and support to the people of Nicaragua and Latin and Central America to be terrorism, and furthermore considers aid and support for the Iranian Islamic revolution to be terrorism, Thus what does the United States not consider terrorism?"

These were some of the matters raised by Sa'ad Mojber, head of the Libyan Popular Bureau, in a press and radio-television interview yesterday with reporters.

Sa'ad Mojber, while mentioning these matters, said sarcastically: U.S. aggression with all its power and military might against the people of Vietnam is not interpreted as terrorism according to American usage! The murder of Patrice Lumumba and the assassination of Allende is not interpreted as terrorism! Three attempts to assassinate DeGaulle, the former French president, is not interpreted as terrorism. The plot against Mossadeq and his overthrow, and restoring the shah to power is not interpreted as terrorism! Giving resources to the Zionist enemy to start four wars against the Palestinian people and the region's Moslems is also not interpreted as terrorism! When the United States attacked Tabas, it was not interpreted as terrorism! And when the U.S. fleet violates the sea boundaries of Libya in the Gulf of Sirte in order to carry out its maneuvers, this is not interpreted as terrorism! And when the U.S. president states that it is possible that a nuclear war will occur in Europe without extending to U.S. or Russian territory, this also is not terrorism! Nor is carrying out coup d'etats against Nkrumah in Ghana and Sukarno in Indonesia considered to be terrorism!

Sa'ad Mojber, continuing his speech, said: It is not only the U.S. government that carries out terrorist acts. Terrorism is also rife in American society. American life is seated on a foundation of terrorism. From the very first U.S. governments continued their murder and enslavement of Indians and Blacks so that a government of cattle ranchers, murder and slaughter could be established and the materialistic U.S. civilization could predominate.

Why Do They Call Us Terrorists?

Sa'ad Mojber, chief of the Libyan Popular Bureau in Tehran, in a press conference held yesterday in the Libyan News Agency Office in Tehran, sharply attacked the U.S. government, and in an examination of the history of the U.S. government's crimes, slaughters, coup d'etats and inhuman actions throughout the world, said: Today the United States wants to set the revolutionary regimes, such as Iran's and Libya's, in a row alongside dictatorships like those of the executed shah, the executed Sadat, Salazar, Batista and Somoza. The United States will not be satisfied with us unless there is a time when, God forbid, imam Khomeyni and brother Qadhdhafi are set alongside those dictators mentioned above!

Sa'ad Mojber then raised the question as to whether reason permits us to become like the fascists who have transformed their own territory into U.S. bases. Since if we do not do the same, they call us terrorist? Who gave the United States permission to establish its authority throughout the American region? Who gave the United States the right to determine the fate of others? Who gave the United States the right to determine how the world's people should live?

Sa'ad Mojber, who devoted all of his speech to two main issues, the U.S. confrontation with Libya and the Zionists' position vis-a-vis Palestine and the occupied arab and Moslem territories, added: The basic reason for the U.S. confrontation with Libya is Libya's revolutionary Islamic position on right and justice.

The Struggle's Past Highlighted

ETTELA'AT's political correspondent was present at the press conference, and relates the continuation of Sa'ad Mojber's speech, as follows:

After the Zionists' aggression in 1967, as a result of which the Zionist enemy was able to occupy all of Palestine, parts of the territory of Syria and Egypt, the enemies imagined that the matter was all over and that they would consolidate their occupation in the territories. However, the Islamic revolution in Libya rose up in 1969, and this uprising meant the elimination of five U.S. bases, three English bases, and the expulsion of the fascist remnants as well. After that the first petroleum revolution occurred in 1970, as a result of which Libya and some other petroleum-producing states were able to determine the price of oil themselves. Then the confrontation began between the imperialist United States and the Islamic revolution which established the Koran as the rule of society.

Sa'ad Mojber added: The Islamic revolution in Libya began helping liberation movements across the world, from the Polisario Front to the Moslems of the Phillipines. Then plots against Libya and the world of Islam began. These plots were personified in the Camp David plot, in response to which Libya called for the formation of a Steadfastness and Resistance Front. Libya raised this issue after Sadat's traitorous visit to occupied Palestine.

After this the plot of the Fahd plan and the Fas Conference raised its head. Just as imam Khomeyni raised the issue of confronting and neutralizing this plan, so did the Libyan Islamic revolution. It brought the Fas Conference to defeat. This was the first conference which met defeat five hours after it was held.

The United States As Source of Terrorism

Therefore the United States' confrontation with Libya is taking place due to Libya's position-taking and support of liberation movements in Latin America, Africa and other regions and the Islamic homeland. The United States calls Libya's Islamic revolutionary role terrorism!

Sa'ad Mojber made the reminder that: We in Libya are not communists, but when the Chilean people freely elect a communist president, we respect the power and will of the people. Is it the right of the United States to object to the will of the Chilean people in electing a communist president?

Sa'ad Mojber pointed out: Long ago, the largest organization of murder, crime and terror came into being in the United States. This organization is famous as the Mafia. This organization does not exist in Iran or Libya. But it exists in the United States, and it is from there that terror murder, drug trade and immoral trafficking is directed. Today the U.S. secretary of labor is accused of being connected with this organization.

Mo'ammr Qadhdhafi was not responsible for the murders of Abraham Lincoln, John and Robert Kennedy, Martin Luther King, or Malcolm X, the leader of the American Moslems. Similarly brother Qadhdhafi was not responsible for the murder of blacks in U.S. cities that led to the murder of 30 persons, nor for the slaughter at Texas University in which a number of students were killed. Neither was he responsible for the plot to murder Reagan which occurred recently. Pointing to statistics and figures from the U.S. press, he said: In the United States a murder occurs every 24 seconds, each second a robbery, extortion and assault are inflicted on the people. This is a country in which so much crime occurs that the people have no security, and are even afraid to place their money in the bank, and in which a woman is afraid to go into the street after 7 pm. Therefore this country cannot personify freedom. Instead it personifies terrorism.

The United States even imposes on its own allies the idea that a future nuclear war must take place in Europe, and not reach U.S. borders. The United States even tells France that it must alter its policy vis-a-vis Nicaragua. The United States which was responsible for the coup d'etat against Nurdum Sihanuk and putting the mercenary Lon Nol in control of Cambodia, now once again proposes that Sihanuk must take control of the government. Thus who was responsible for all the butchery that was carried out in Cambodia?

The Zionist Flag Over Islamic Egypt

Is surrendering to the United States useful? Is surrendering to U.S. orders advantageous? If it is, what have the people of Egypt gained? Sadat surrendered to the United States and the Zionists, and the Zionists' flag was raised over Cairo's minarets. We believe that the Sinai Desert issue is a sign that the War of the Crusades is still continuing. The existence of the multinational force, composed of countries including the Netherlands, England, France and Italy, demonstrates this war. These were the countries who carried on the Crusades against the Moslems.

The issues that have been explained underscore the statements of imam Khomeyni and brother Qadhdhafi that the United States must be resisted and not surrendered to. It was for these matters that imam Khomeyni named the United States the great satan. It is not possible for the great satan to guide humanity in the right path. Instead it leads mankind astray.

Reagan claimed that Qadhdhafi had sent a group to assassinate him. However, Libya has never wasted its time on these claims. Reagan is nothing more than a defeated actor.

The U.S. government is the first government in the history of governments to sit down and discuss how to murder the leaders of states, including the murder of brother Qadhdhafi. However, as soon as it was revealed and proved that Libya never had any plot to murder Reagan, they tried to raise the issue in a different form. They claimed that this group had entered Canada. Then when Canada denied this, they said that they had information from Mexico. Then when they could not prove this, Reagan decided to take the Americans out of Libya. But we believe this will harm the United States, not Libya.

The Sole Solution to the Palestinian Problem

Sa'ad Mojber then went on to speak about Palestine, the occupation of the occupied territories by the Zionists, and stated: The United States is responsible for the expulsion of the Palestinian people and the usurpation of their land. It is the United States which ordered the Zionists to start their expansionism in the region. It was the United States which gave the order to establish a Zionist embassy in Tehran, and documents from the spy nest prove this. The United States made efforts to impose Camp David on all Moslems. It tried to sneak in through a window, and when Camp David failed against the steadfastness and resistance of the Steadfastness Front, it presented the Fahd plan. But we consider this plan to be a dead letter. We want to raise the issues.

What is the position of the region's rulers after the practical annexation of the Golan Heights. Do these rulers still wish to give gifts to the United States and others?

Reagan claimed that he will delay the agreement of cooperation with the Zionists. But did the United States remain committed to its own claim?

We believe that our position versus Israel's decision to annex the Golan Heights is in complete agreement with the position of the Islamic Republic of Iran. This position is that we will neither make peace with the Zionist government nor carry out negotiations. The entire territory of Palestine must be returned to the Palestinian people, and this is the only solution. The sole solution is that each person return to his own land. We will never agree to our holy places in the Islamic regions remaining under the government of the Zionists and the United States. Just as imam Khomeyni said, we do not reckon our account separately from that of the arabs and the holy places. It is incumbent on all Moslems, including us, to guard Islam everywhere. We prefer death to degradation and prostration before the authority of the Zionists and the United States.

There is talk of returning to the pre-1967 war borders. But why did the wars of 1967 and 1973 come about? These lands were in arab hands from 1974 [1948?]. We believe that it is possible to steadfastly resist the United States, just as the Latin American nations have resisted, as Vietnam resisted, as we in Libya resisted the United States and other colonialists. Was it the military power of Libya that expelled five U.S. military bases from the country? We believe that our power was faith. We also believe that it was not military power that enabled the Iranian people to throw the shah out. Rather the Iranian people came into the streets in their winding sheets, ready for death, and were able to destroy the shah, a shah who had the fifth largest army in the world. Because the people of Iran were walking in the path of truth, they were able to triumph over the shah and his regime. We in Libya were victorious in Islam's name, just like the people in Iran.

Holier Than Jerusalem!

Sa'ad Mojber then addressed the arab rulers who have surrendered to Israel, and said: Why therefore should the importance of crown and throne be greater than the importance of Islam and Moslems? Why should their wealth in the United States be holier than Jerusalem? Each one of us is responsible before God. How can Moslems permit themselves to fear the United States, but not fear God? These rulers have an opportunity to repent now and return to God. They must ask themselves where King Idris, King Faruq, the executed Nuri Sa'id Shah and the executed Sadat have gone. If they do not repent and return to God, they will have the same fate as those thug rulers. We advise these rulers to rely on God rather than relying on the United States and the Zionists. We believe that if these rulers are not able to stand up to the United States and the Zionists, they should resign and entrust their authority to persons who can. We war against any sort of cooperation with the Zionists, and ask everyone to announce their position against Israel's decision to annex the Golan Heights. The Steadfastness Front and Iran have announced their position, and others must do the same. The time for joking is over.

9597

CSO: 4640/91

SATELLITE RECEIVING STATION GOES OPERATIONAL

Tehran ETTELA'AT in Persian 2 Jan 82 p 2

/Text/ Yesterday afternoon Prime Minister Engineer Mir Hoseyn Musavi-Khamene'i, accompanied by Doctor Mohammad Taqi Banki, minister of state in charge of the Planning and Budget Organization, inspected the installation for receiving satellite transmissions at Mardabad in Karaj.

First during the inspection ceremony, one of the experts elucidated on the background and status of the project. Then, during his speech, the Prime Minister pointed out the importance of completing these installations. He said: "God willing, the stages in the completion of this project, which has vital importance in economic planning and other national matters, will soon be completed." He added: "The government will exert all possible effort to ensure that the brethren responsible cooperate in completing this project."

Engineer Musavi continued: "Making operational this project's initial stage without the use of foreign experts is a great success."

At this point the Prime Minister and the Minister of State conducted an inspection of various parts of the installations.

The construction plan for the satellite receiving station at Mardabad in Karaj was prepared in 1975 but with the departure of American experts after the Islamic Revolution the project's completion was delayed. The station will be capable of receiving data once every 9 hours transmitted from the satellite. These transmissions will come in the form of satellite pictures, film and magnetic tape which will be placed at the disposal of consumers. This information will deal with estimates of areas under cultivation, the limitations of agricultural land, soil evaluation, land protection, recognition of saline/alkaloid soil, classification and development of forests, water sources in water-producing areas, sources of underground water, establishing water shrinkage tables and additional geologic phenomena as well as other such beneficial data. The first stage in the operation of this facility is already being carried by Iranian engineers.

According to the Islamic Republic News Agency (IRNA) reporter, Prime Minister Engineer Musavi said during an interview at the end of his inspection: "The fact that Iranian experts have undertaken this station's operation shows that through self-reliance we are capable of severing all dependence on the outside. I thank these brothers who have worked so hard and have been able to put this station into operation. Putting this project into complete operation can serve us in exploiting the country's available resources. Before the revolution this facility was run by the Americans who were able to transfer the data obtained to their own country."

The Prime Minister added: "In any case, we are happy that some of the capital designated for U.S. interests is being placed in the service of the Muslims and the oppressed people of Iran."

Regarding the possibility of neighboring countries utilizing data from the facility, the Prime Minister said: "The government seriously depends on planning, and careful planning requires correct data which can become feasible by using this facility. At the same time, we can put the acquired data at the disposal of friendly countries."

Moreover, Minister of State in Charge of the Planning and Budget Organization Doctor Banki in an interview with IRNA said on this topic: "The United States intended to assemble here the necessary resources and facilities in order to continue its rule here and, just as the Imam has said, the United States put up these installations for its own use, and they have now been taken over by the Muslim people of Iran."

He added: "Unfortunately, after the revolution some thought that we should eliminate all dependent installations and industries; but it is better that we eliminate the dependence of such installations."

He further stated: "With confidence in the forces of committed, Muslim youth and followers of the Imam's line, strides can be taken toward severing this dependence. As you see, after 3 wasted years, these satellite installations have been made operational through the cooperative efforts of this youth."

CSO: 4640/126

IRANIAN OIL EXPERTS SENT TO LIBYA

Tehran ETTELA'AT in Persian 3 Jan 82 p 2

[Text] According to the report of the Islamic Republic News Agency [IRNA], yesterday morning, following the departure of a high-level delegation of Iranian oil experts to Libya, Deputy Oil Minister Hoseyn Kheradmand explained the reasons for this delegation's trip to Libya during a radio-television press conference. He opened by saying: "After the interview of the Prime Minister regarding assistance to the friendly and brotherly country of Libya on petroleum matters, and then the meeting of Mr. Sa'd Mojber, head of the Libyan People's Bureau in Tehran, with Brother Seyyed Mohammad Gharazi, Oil Minister of the Islamic Republic of Iran, as well as the submission last November 20 of a request for a review of the state of the Libyan oil industry, a delegation of 10 high-level Iranian experts specializing in petrochemistry, natural gas, exploration, production, and transport, pipelines, operation and management of pumping stations and stations for boosting gas pressure, as well as repair and services connected with the oil industry, left for Libya yesterday to inspect and assess Libya's needs. This delegation's visit will last between a week and 10 days but the visit could be extended either because of the need for more review or at the request of the Libyan Government."

He added: "We are awaiting the implementation of the plans and the assessment of Libyan oil-industry needs so that we can study and review this delegation's report. And, after the return of the Iranian experts, steps will be promptly taken to provide a volunteer force. God willing, the difficulties will be resolved."

"Sending the Iranian experts to Libya was a voluntary step and we are ready, on request, to give assistance to friendly, Muslim countries. I should say that the government of the Islamic Republic of Iran is always ready to voluntarily place--upon receipt of request--needed skill and expertise at the disposal of Muslim countries that have oil."

Concerning U.S. moves to boycott Libyan oil and the directive that U.S. experts leave Libya, the Deputy Oil Minister said: "In our view, the U.S. boycott is an empty and hollow threat because carrying it out is not in the interest of the United States; and it will result in damages to the United States. If the Americans are unable to stay in Libya because of the boycott, they are obliged by their agreements to replace American experts in the Libyan oil industry with those from other countries."

The IRNA reporter asked whether the departure of American experts from the Libyan oil industry has had any effect on that country's oil production. He said in reply: "The departure of the Exxon Oil Company has affected Libyan oil but it is impossible right now to say precisely how much damage this will cause to Libya. In our view, with the dispatch of two or three hundred Iranian experts and their cooperation with Libyan brethren, that country's oil difficulties will be solved. Of course, this group will require a short period of intensive training."

CSO: 4640/129

REASONS, REMEDIES FOR DECLINING COTTON PRODUCTION VIEWED

Tehran ETTELA'AT in Persian 22 Dec 81 p 10

/Text/ In the period since the victory of the Islamic Revolution, our country has experienced a severe decrease in cotton cultivation and the losses that go with it. It is because of these problems that many of those involved have been preoccupied with agricultural and economic matters and experts and responsible officials have presented some reasons for this.

The cultivation of cotton in the vast region of Gorgan and Dasht has extreme importance because it employs approximately half a million farmers and has a direct bearing on their economic welfare.

It should be stated that over the last 3 years the production of cotton has declined tremendously. The maximum cotton yield for one hectare of cultivated land has dropped from 3 tons to 1300 kilos. In light of this, ETTELA'AT reporter in Gorgan, Seyyed Mahmud Karimi, prepared the following report after investigating the reasons for the decline in cotton cultivation and after canvassing some of those involved in this work.

One can say that after oil, cotton constitutes one of our country's leading export items. It is among the most profitable agricultural products of Iran which, owing to its high-quality fibers and the fact that it is handpicked, has numerous buyers on the world market. Moreover, it was on the way to opening a valuable spot for itself in the world market after Egyptian and Soviet cotton.

More than 70 percent of the cotton, called "white gold," comes from the area of Gorgan and Dasht and this product of the effort of some half a million growers in the region goes to domestic and foreign markets.

In the past two key factors always blocked increasing--however more--cultivation of cotton in the region:

First--Lack of support for cotton growers;

Second--Plunder of the fruits of their labor by several cotton exporters tied to the wicked Pahlavi regime.

With a brief glance at conditions in the region of Gorgan and Dasht we very quickly realized that this region--having water, a warm climate, the desired percentage of moisture and suitable soil--is one of the most conducive places in the country for growing cotton, in whose production outside workers also play a noteworthy role.

After a drought in Sistan and the drying up of the Hirmand River, the emigration of Sistanis and Baluchs to this region began and with the absorption of outside workers the cultivation of cotton, which requires hard workers, blossomed after several years.

As a result, the land under cultivation reached 237 thousand hectares in Gorgan and Dasht. And this was even increased in 1974 to 370 thousand hectares from which 711 tons of "unginned cotton" and 237 thousand tons of "carded cotton" were produced.

Given this situation, the decline in cotton production over the last 3 years and its causes are worthy of investigation, research and analysis. There should be exhaustive study in this area, especially because of the present government's policy to raise production and support domestic agricultural crops with an eye to reaching self-sufficiency and freedom from an enslaving import system. And with the least attention to the region of Gorgan and Dasht, cotton fibers can be provided to all the country's plants and the surplus can even be exported.

A glance at the statistics can indicate the severity of the decline in cotton production. Nationwide production in 1978 was 132 thousand tons of carded cotton with 92 thousand tons coming from Gorgan and Dasht. These figures declined in 1979 to 99,141 tons and 65,487 tons respectively.

This decline also continued the following year (1980). It was announced that the total nationwide crop was approximately 57,427 tons of carded cotton (or which some 6 thousand tons had been prepared using unauthorized manual weeding) while that in Gorgan and Dasht was 32,119 tons.

Status of Production in the Current Year

Unfortunately, as we are in the final days of the cotton harvest this year, I must say that due to the ineffectiveness of available insecticides, pest control has not been very effective and the harvest has not been purged of pests and infestations despite as many as 7 sprayings. This in itself is one of the major agricultural difficulties of the region affecting approximately half the crop. And this same problem of ineffective insecticides raises questions. It is hoped that responsible officials will make these insecticides the subject of necessary and adequate testing before giving them to growers.

On the other hand, while plant foliage increases with abundant rains in spring and in other times, the blooming of the flower and the cotton pod is damaged. Thus, from the some 45 thousand hectares of land in Gorgan and Dasht, the total regional crop may be no more than 25 thousand tons, and, as a result, it is anticipated that the maximum yield per hectare, which was 3 tons last year, will reach only 1 ton, 300 kilos per hectare which is a cause for concern. If the decline in planting and harvesting of cotton continues, it will accrue a loss not only for the growers but especially for the Islamic Republic.

Factors in the Decline of Cotton Production

In order to present some proposals for turning around the decline in cotton production, it is first necessary to list the factors that are the causes of this decline. These factors are summarized below:

- 1) Lack of planning for cultivation of smaller units after the flight of feudalists and large landowners and the distribution of their lands;

- 2) Replacing cotton planting with that of wheat because of a lower cost of cultivation and fewer infestations;
- 3) The length of the growing cycle (from the time of planting until harvesting)
- 4) Increase in the price of summer crops and also the ever-increasing rise in the price of corn and other regional crops;
- 5) Disrepair of wells and canals and lack of spare parts for pump motors;
- 6) Lack of management in large units and the absence of technical management and experienced personnel to provide guidance to the cotton growers of the region.

Some Points on Solving the Problem

As a result of investigating the difficulties and interviewing those involved in growing cotton, some points that need to be borne in mind regarding the increase of cotton cultivation are summarized below:

- The complete and immediate solution of land problems and ownership;
- The repair of canals and wells with government assistance;
- Minimum guaranteed purchased prices and material support;
- Strengthening the financial condition of new growers and small landowners;
- Preventing the expulsion of growers and agricultural workers by landowners until the status of land ownership is clarified;
- The timely provision of agricultural needs and equipment (seed, fertilizer, insecticide, insecticide spray equipment, other equipment and spare parts) and also the timely provision of fuel, lubricating oil, gas oil and the provision of agricultural implements as well as hydrolic and pump motors;
- The control and management of all confiscated cotton manufacturing plants will be assumed by a government unit in order to swiftly dispatch agricultural services to cotton growers through these plants.

It should certainly be said that the Iran Cotton Organization, which is responsible for preparing high-quality seed, has presently 4500 tons ready and the Organization for the Distribution of Fertilizer and Agricultural Machinery has performed its duties well with the cooperation and supervision of the Reconstruction Crusade.

To protect the cotton harvest and prevent the excessive reduction in cotton production, the Ministry of Agriculture has prepared 3 short-term, intermediate-term and long-term programs.

Cotton fibers, while able to satisfy the needs of our plants and to relieve us from imports, can also absorb thousands of our fellow citizens into the labor market. Furthermore, the oil-extraction industry can be aided through the cultivation of cotton while seed pulp can be utilized for animal husbandry.

ECONOMIC GROWTH CONTINUES DESPITE STATE OF WAR

Paris AL-MUSTAQBAL in Arabic No 241, 3 Oct 81 pp 55-57

[Text] Baghdad Exposition Opens Despite Continuation of War

In October 1980, Iraqi authorities were unable to open the seventeenth annual Baghdad International Exposition on its scheduled date of 1 October every year because of the Iraqi-Iranian war which had broken out on 22 September 1980. It had started with skirmishes and limited clashes from 14 September, carrying with them partial disruption of some activities and delay or postponement of most operations and projects.

However, the continuation of the war and the escalation of its battles did not prevent the Iraqi authorities, who had postponed the opening of the exposition indefinitely, from reopening it on 15 November. Exhibitors from 75 countries displayed their wares. Continued participation was aided by the fact that the goods and the participants had arrived in Baghdad before the outbreak of the war.

Since that date, the Iraqi authorities have taken great care to prevent the war from disrupting economic and commercial activities at home and between Iraq and other countries, and to reduce any negative impact of the war in this area.

It was natural that the Iraqi authorities could not succeed entirely in this goal, since war inevitably leaves its negative effects on this field. It was clear that some of these effects were sometimes military in origin (aerial bombardment and its results). At other times they were purely material and economic (changing and modifying some aspects of spending, shifting equipment and labor to the war sector, the departure of some foreign technicians, etc.).

However, that lasted only a few weeks, after which Iraq gradually returned to an attempt to pursue complete economic, construction and development activities, taking advantage of the halt in the bombing in the interior of Iraq and the shift of the war and its battles to Iranian territory and even beyond some areas which Iraq controls and considers part of Iraqi territory.

Iraq began to restore economic life on more than one level and in more than one field, beginning with putting Baghdad International Airport back into operation and ending with providing all movements and activities of foreign and domestic trade without any complication, passing with complete preparedness to the opening

of the 1981 Baghdad International Exposition. It opened on 1 October and will continue until 15 October, as usual, within the complete framework of festivities including all of the programs planned by the Iraqi authorities and officials of the countries participating in this exposition.

Exhibitors from 72 nations are participating. They would not have participated if Iraq, during the year of the war, had not demonstrated its devotion to the success of the exposition, not only by maintaining trade relations with the countries but by signing more than 240 trade and economic agreements with various world nations and by signing many construction, equipment, and building and housing contracting agreements and pursuing implementation of many of these contracts.

It is not yet possible to predict the results of the current exposition, but indicators suggest that they will be better by far than the results of the last exposition, which was held during the war and its prevailing conditions. It was possible to confirm that the results of this fair will not be better than that of 1979, the last one held before the war.

Of course, this does not mean that Iraq's economy has not been affected by the war or that it can erase the traces of war from its facilities and sectors. To illustrate the most conspicuous effects, it may suffice to mention here that Iraq was forced to borrow several billion dollars from Kuwait after the war broke out.

In addition to the loss suffered by Iraq in people, the most valuable capital, some installations were totally or partially destroyed, and Iraq will bear the expense of rebuilding them as they were, or better, at the prices of the year in which the work is done, which differ a great deal from the costs of previous years. Iraq may not be consoled by the fact that the costs which it is bearing for its losses--human, economic, and societal--are less by far (and sometimes relatively less) than the losses to the other party in the war. This is especially true since Iraq now seems to be holding the military and political reins from a position of regaining its territory, in a war which Iran refuses to stop despite what seems to be its inability to pursue it in its current domestic and external circumstances.

However, what does console Iraq for its losses is the relative solidarity which appeared in Iraqi society during the war, especially after the political and social organizations in the state selected about 100,000 young men and women to work as volunteers in the war organizations and essential services, including fighting groups (50,000), production and service organizations (15,000), civil defense (24,000), and traffic committees in the cities and governorates (8,000). This relative solidarity may have been a "surprise" to the Iraqi authorities themselves, who did not imagine, first, that the war could last this long and go beyond a year. Second, they did not think that the Iraqis, who are new at integrated social and political organization, could successfully overcome the effects of war on the borders and its reflections at home.

Iraq Enters Circle of States Importing Uranium

The first half of 1981 was the date Iraq entered the circle of countries importing uranium from Niger, at a time when the Libyan Jamahiriya increased its imports of this element.

Statistics published in the 27 August edition of the official newspaper in Niger indicated that Iraq imported 100 tons of raw uranium from this country for the first time, while the Libyan Jamahiriya increased its imports sixfold, from 200 tons in 1980 to 1,212 tons in the beginning of 1981.

Niger exported these quantities of uranium to Iraq and the Jamahiriya although the United States places Iraq and Libya on the list of states which America wants to prevent from obtaining this strategic material, under the slogan of preventing them from obtaining or producing the atomic bomb. It appears that Niger has not complied with American demands or desires concerning this, proceeding from its need for the hard currency required to finance its development programs and its equipment and commodity imports. According to its President Seyni Kountche, Niger sells uranium to all customers who can pay and who accept the conditions of purchase set by the International Atomic Energy Agency in Vienna.

Naturally, Iraq and Libya are only two of Niger's uranium customers. It determines these customers and the quantities which it will sell to them each year by prior decision. According to the list published in the official newspaper, Niger's uranium customers this year were as follows:

1. France, which imported 2,293 tons, as compared to 1,344 tons in 1980. It represented 47 percent of the total sales.
2. Libya, which imported 1,212 tons, or 25 percent of the total exports.
3. Japan, which imported 816 tons (17 percent).
4. Spain, which imported 300 tons (6 percent).
5. West Germany, 125 tons (3 percent).
6. Iraq, 100 tons (2 percent).

This makes a total of 4,846 tons for 1981. It was shipped to each country in broad daylight from Niamey and Agadez airports, or by way of the port of Cotonou in the state of Benin.

Iraqi-Brazilian Insurance Company Project

In spring of 1982, a joint Iraqi-Brazilian bank will begin operations in Rio de Janeiro, which has been chosen as its headquarters.

The new bank is the first of its kind between Iraq and Brazil and is virtually the first of its kind between Brazil and any other Arab country. The new bank has not yet been given a name, but that is expected to be done when the official agreement establishing it is signed during the visit of an official Brazilian economic delegation to Baghdad for this purpose.

The new bank is the result of a general agreement between the two countries to encourage commercial exchange between them, whether on the level of Iraqi oil exports to Brazil or imports of arms, food, or Brazilian equipment. This bank is intended to strengthen Iraq's position as the biggest exporter of crude oil to Brazil. It is also intended to strengthen Brazil's position in the Iraqi market as a whole, whether in the sector of imports or in the sector of major contracts obtained by Brazilian companies for basic construction projects in Iraq (railroads, roads, bridges, etc).

It should also be noted that another project to establish a joint insurance company between the two countries, which has reached an advanced stage of discussion and study, will also help to strengthen financial and economic relations between them.

The new bank, which will set up other branches outside of Rio de Janeiro, will operate with \$40 million in capital distributed equally between the two partner countries.

At this time, Brazil seems interested in establishing relations and setting up similar organizations with other petroleum states in the Gulf. It is striving to attain a special relationship with Saudi Arabia, considering it the prime source of crude oil, a huge import market for equipment, commodities and foodstuffs, and the major source of investment capital.

If Brazil should succeed in establishing a definite arrangement with Saudi Arabia, it will have established its third investment and financial bridge with the Arab states. The first bridge, extended before its arrangement with Iraq, would be represented by the establishment of one of the Kuwaiti investment companies in Brazil itself.

7587

CSO: 4404/43

BRIEFS

TRADE AGREEMENT SIGNED WITH GREECE--Greece and Iraq signed last week agreement for the broadening of economic commercial and scientific relations between the two countries, according to an announcement made by the Greek coordinate ministry. The agreement calls for the construction of ships in the Greek shipyard and the repair of Iraqi commercial aircraft by the Hellenic aerospace industry. The agreement also calls for the export of cotton, tobacco and oranges to Iraq, the provisions of Greek technical expert to that country to supervise large construction projects and increase in the number of places offered to Iraqi students at Greek universities. The two countries also agreed to increase transport links between them and signed a tourism agreement. The announcement gave no details of financial terms for any of the proposed projects. The broadening of relations between the two countries had been discussed when Iraqi Deputy Premier Tarek Aziz visited Athens for talks with Premier Andreas Papandreu last month. It should also be recalled that last month, Iraq proposed the building of an alumina and aluminum plant in Greece, which would utilise Greek bauxite as a raw material. The electricity to convert the alumina to aluminum would be produced by Iraqi crude oil, and output of the plant would be mainly absorbed by Iraq. The agreements came at the conclusion of four days of talks, in Athens, between the Greek Ministry of Coordination and an Iraqi delegation. [Text]
[Beirut THE ARAB WORLD WEEKLY in English No 648, 24 Dec 81 pp 17, 18]

CSO: 4400/111

PROFESSOR NE'EMAN CRITICIZES PEACE POLICY

Tel Aviv YEDI'OT AHARONOT in Hebrew 25 Nov 81 p 11

[Article by Professor Yuval Ne'eman: "Fauzi's Got His Too"]

[Text] It is no accident that the year which witnesses "negative settlement" for the first time by removing the settlements of Ofira and Yamit from the map, is also the first year of negative immigration a year when emigration exceeds immigration, and yet - this is the year marking the centennial of the immigration of the Lovers of Zion and the beginning of the renewed settlement.

Since the early sixties the Israeli Establishment has consistently abandoned the Zionist impulse and traded it in for a yearning for "normalization." The anti-Zionist existentialism (which once prompted Y. H. Brenner to write "The Ships on the Way") flourished in the late sixties, particularly when it found an anti-security backing as well, in the days of the "Bathtub Queen." It then led to "Peace Now," and reached its peak when Prime Minister Menahem Begin traded the Zionist dream for the peace treaty. The Zionist emphasis on willingness to make a sacrifice now for a better future for the nation was exchanged for selling the future for the porridge of the present.

It is no wonder that such direction has led to emigration and the end of immigration. If the present is more important than the struggle to make Zionism a reality, then the present in the United States or Canada is better than the present in Israel. If the momentary respite of the peace treaty is worth giving up parts of one's country, then the respite of the individual is preferable to the love of one's country.

The bad example is given from above. The "normal" Jewish state cannot gather the exiles. The exiles were gathered by the impetus of the establishment of the state, during the most difficult of our wars, the war of 1948. Exiles came in the wake of the Six-Day War, when we dared to respond to the challenge to our existence and to liberate more areas of our country. One could feel how Antebbe and the bombing of the nuclear reactor in Iraq contributed the only moments of Jewish awakening during the last decade, in spite of our self-criticism about the reactor. Yet the signing of the peace treaty did not cause one single ripple. Whoever hoped that the prospect of peace would bring a mass immigration or economic growth can now see that the opposite is happening.

Another characteristic of the "negative Zionism" is that it exists despite the fact that excellent conditions exist for a large scale fulfillment of true Zionism. We have missed 15 years of settlement of western Israel, the Sinai and the Golan which were under our full control. Altogether we settled 35,000 people in 15 years --even during the lowest ebb of our earlier years we did not do so little. And yet we have tremendous resources in comparison to what we had when we had to fight the British Empire. We have land in Samaria, and yet we prefer to build in Rishon L'tzion according to Plan L, and Deputy Prime Minister David Levi insists that the dense population on the shore has priority from the standpoint of the Ministry of Housing.

In regard to immigration, we are witnessing the disappearance of entire exiles. It began when the Algerian exile settled in France, then the Russian exile moved to the U.S., the Argentinian to Venezuela and Mexico, the South African to the U.S., Canada and Australia, and the Iranian remains in place despite the approaching crisis and eyes Europe and the U.S. There are 3 to 4 million Jews who are immigrating, and instead of coming to Israel they exchange one exile for another. One could suggest to the president of Egypt to reinstate Fauzi as foreign minister, since it turns out that the peace treaty which Egypt has signed is indeed accompanied by the fulfillment of Fauzi's demand to stop immigration...

How can we fight these things?

Let us mention that today marks the 52nd day of the hunger strike of the "Israeli Bobby Sands," Dr Mesha Mishkan, who is willing to give for the integrity of our land what Sands and his friends were willing to give for theirs. We have already discussed what we can do regarding not giving up the settlements--to bolster the settlements as happened before the elections, though the clamoring voice has now stopped. Instead of looking for delays as we are doing now we must overcome all difficulties and continue to build. We must create conditions for massive private building, new housing projects in the coastal towns on the slopes of Samaria, for instance, as well as in the Galilee in relation to Haifa. One important condition for renewing immigration is by creating an atmosphere of advance instead of retreat.

But what can we do to directly encourage immigration and discourage emigration?

First, we have to renew the atmosphere of pioneering challenges in proportions commensurate with the eighties. Mass settlement, great national projects--the sea canal which must not stop because of lack of impetus or creative initiative; a nuclear reactor; the solar lake project; new investments in sophisticated industries; an comprehensive effort in high technology in keeping with our human resources and our potential immigrants. The scientific communities in Karmiel, Ariel and Arad.

It is no wonder that the first great wave of emigration took place during the slow-down, when investments stopped and development faltered. Let us add in praise of our people, that when the establishment becomes helpless the youth creates new leadership which takes the initiative. Thus Gush Emunim came into being and took the initiative of settling Samaria. Thus Telem (not the list for the Knesset but the movement in the U.S. which is working with youth there and here and tries to grapple with the problem of immigration).

Second, we must mend the fences. We must demand that the U.S. not classify as refugee anyone who has a visa for Israel. The U.S. may open its gates to such a person, but must not so blatantly ignore the Israeli entry permit. We must step up our fight against those anti-Zionist leaders in the U.S., people like Leonard Fein and others, who even find national justification in preferring the growth of the Jewish community in the U.S. to immigration to Israel.

Third, we have to give top priority to immigration and settlement, to Zionist action, to love of country and a sense of mission. We cannot compete with New York in salaries, but we certainly can compete in challenges and idealism. All Israeli governments since Levi Eshkol have actually sinned in neglecting absorption of immigrants. I happen to feel sympathy for the ministers of absorption of the last decade, but I must say it was a mistake to appoint people who did not make Russian immigrants feel at home but rather alienated them, notwithstanding the other talents of those ministers.

Not Mapam, although I appreciate its record, could have done it. Men like David Levi and Aharon Abu-Hatzira could not make Russian immigrants feel at home in Israel, although it is not a matter of ethnic identity (Yitzhak Navon and Geula Kohen, who are more of a father or mother image, would have fared the same). In any case, at this juncture we should have had a special minister for Jewish and immigration affairs, although I do not question the competence of Vice Minister Shilanski. Perhaps we needed a more central personality.

Fourth, preferring political moves designed to renew immigration. Instead of pressuring the American president to take more active interest in the autonomy talks and appoint a more senior official to that end, we should discuss with him ways of introducing measures in the talks between the two superpowers to renew the immigration from the Soviet Union. New transfer should be established. Besides the contribution he made in establishing the state, one should perhaps appreciate David Ben-Gurion for emptying the exiles of the Arab countries, Turkey and Bulgaria during the first 3 years of the state.

If special moves had not been made at that time, the immigration would have been greatly reduced as the camps in Germany and Cyprus were emptied.

Even today we can find ways to renew the immigration, if the prime minister gives it high priority. If he went after it with the same drive and single-mindedness with which he pursues the peace treaty, at all cost, we would not be today at such a low in our immigration balance.

8565

CSO: 4423/64

NEW RELIGIOUS FACTION FOUNDED

Tel Aviv MA'ARIV in Hebrew 4 Dec 81 p 3

[Article by Avi Bettelheim: "NRP Crisis Gave Birth to New Religious Body Named HATAM"]

[Text] The crisis in the National Religious Party and the constant fighting among its leaders have brought about the formation of a new religious political body named HATAM, acronym for National Religious Unit. The organizers are rabbis, yeshiva heads, academicians and members of settlements, who do not rule out the possibility that HATAM become the successor of the NRP and help stop what they call "the disintegration of the religious citizenry."

Among the founders of HATAM are Rabbi Yehuda Amital, head of the Har Etzyon yeshiva; Rabbi Schlesinger of the Shalavim yeshiva; Rabbi Filber of Hofetz Hayim; Rabbi Yehoshua Ben Meir (brother of Knesset Member Yehuda Ben Meir), head of the Hesder Yeshiva in Kfar Etzion, groups belonging to Poale Agudat Yisrael, and others.

The organizers of HATAM have sent a letter to dozens of religious leaders throughout Israel inviting them to join the new body. "Factional conflicts and non-ideological fights are destroying the organizational strength of the religious camp. The political leadership did not draw the necessary conclusions from the fiasco in the recent elections and did not embark on rehabilitating the party...We have therefore decided to form HATAM as a central and active force in religious Jewry, with open political options."

One of the movers of the new group, Rabbi Yehuda Amital, told MA'ARIV: "We do not wish to bury the NRP or replace it. We want to shake up the heads of the party and make them look for ways to act. If they don't, we may have to form a new religious center. We have had good response. This is only the beginning, and we may have a large conference in a few weeks."

The Burg and Hammer factions in the NRP continued to wrangle yesterday and got into legal action. The showdown between the two factions will reach its peak in the meetings of the executive committee of the party (probably at the end of next week) when Zvulun Hammer will take on Minister Yosef Burg regarding the question of the office of minister of religious affairs.

The NRP's supreme court met yesterday noon to discuss the petition of the Likud U'tmura faction against Dr Burg, following the latter's decision to dismiss the

director general of the ministry of religious affairs, Gdalya Schreiber. At the request of Minister Burg, who plans to appear in person and present his arguments, the court decided to postpone its session to Saturday night, or to Sunday at the latest. In the meantime a temporary injunction was issued forbidding Dr Burg from raising the matter of Schreiber's dismissal at the government level.

Yesterday the minister of religious affairs' attempt to put the matter of the dismissal on the government table failed. Deputy Prime Minister Simha Ehrlich who chaired the meeting rejected discussing the matter in saying that it could be brought up at a regular government session.

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CSO: 4423/64

JORDANIAN CROWN PRINCE ON SEA-TO-SEA CANAL

JN141700 Amman Domestic Television Service in English 2030 GMT 8 Jan 82

[Interview given by Jordanian Crown Prince Hasan to Marilyn Edith Perry of the International Byline Program of New York Television on Med-Dead Sea Canal--video-taped]

[Text] [Question] I have as my special guest today this evening His Royal Highness Crown Prince Hassan of Jordan who I will ask to discuss this matter. Your highness it is so nice to be in Jordan. Thank you very much for being on International Byline again, your highness, according to reports that have appeared in the Israeli press, work will soon begin on the construction of a project to cause water to flow from the Mediterranean to the Dead Sea. How is this project going to work?

[Answer] Our understanding from, as you mentioned, press sources is that the total length of this canal is going to be about 70 miles, 20 miles affectively will be a canal. Then a tunnel would carry the water from Katif--a new Israeli settlement on the Gaza Strip shoreline--to the Dead Sea which as you know is an international body of water, but affectively would be the outflow of the canal at (Ein Buckak), and old Israeli settlement on the Dead Sea itself.

[Question] What is it that makes this project so objectionalbe to Jordan and other nations at this time?

[Answer] As you know we are living in a political turbulent moment. The final status of the occupied territories is not decided--the West Bank and territories occupied in June 1967--and we face continuous pressures from what the Israelis call established facts. They have the hand on the tap, as it were, of the sweet water in the Jordan valley area which they control, and water is very important not only for drinking purposes but for irrigation purposes as well.

And now it seems that they have once more their hand on the tap, as it were, of the energy challenge which for a non-oil producing country like Jordan is extremely important in the Dead Sea area. They claim that by the year 2000, the end of this century, that they will have half their energy needs totaling around 3500 megawatt, half of that will come from the canal, but effectively only 18 percent will come from hydroelectric sources while the rest 1800 megawatt will come from the nuclear installations which they intend to install at the beginning, and at the end of this canal project from the Med to the Dead Sea. And these nuclear installations, of

course, carry with them many worries of pollution to the water as well as about the general movement of Israel from a subdued nuclear position to a declared nuclear position--the possibility of a further 1500 megawatt generation from solar (?band) is of course a technological breakthrough but once again we are facing an arrogant Israel which unilaterally takes measures to change the physical characteristics of what is an extremely important source--the Dead Sea and the Med from which Arabs and Palestinians have been remote from these resources since the reception of the State of Israel which utilizes from one side their legitimate resources.

[Question] Are these the only objections Jordan has to the project?

[Answer] I don't want to sound entirely negative to what is obviously a very ambitious technological breakthrough. Technology is of course so dear to the hearts of all of us at the end of this century. But let me just say that in the year 2000 we are going to have a situation where everyone in the heavily populated northern peninsula will need natural resources and will need to utilize national resources. Jordan could well initiate a canal from the Red Sea to the Dead Sea for that matter and use it for similar purposes but our objection is also one of principle, the principle of the illegality of the use of the Gaza Strip which as I said is living a political vacuum at the moment which could only be filled by the Palestinian inhabitants of Gaza themselves; 400,000 of them living a temporary existence, largely refugees, look forward to a political solution. [As heard]

[Question] So these would be the objections that you would have for the Israeli plan to have a canal through Gaza.

[Answer] Indeed, yes.

[Question] Could you explain to our audience what the Gaza Strip is? Maybe many of them don't understand what it is or where it is?

[Answer] Well, the Gaza Strip combined with the West Bank represents 1.2 million Palestinians under occupation since the June war 1967. It is the more heavily populated of the two areas which await the final determination of their status on the basis of the UN call for withdrawal from these areas in resolution 242, a resolution acknowledged as being the basis for the Camp David initiatives for peace. Unfortunately far from withdrawal, we find that this very important piece of coastline an outlet to the Palestinians to the sea is now being jeopardized by this established fact of the canal further to the settlements that the Israelis have already built there.

[Question] You know, your highness, you have been talking of sovereignty over the Gaza Strip and the West Bank. This reminds me of your highness' book on the right of self-determination of the Palestinians. How do you see that right help resolve the Arab-Israeli conflict at this time? [As heard]

[Answer] As you know the Wilsonian principle of self-determination of peoples is one that the Palestinians should have exercised a long time ago, since 1922. The British mandate was meant to see to rights of the Palestinians to self-determination--and self-determination for us means economic, cultural, social and political self-expression. So effectively in the question of the canal, for example, you

are taking an important source of livelihood from the people themselves, the inhabitants of these areas and changing the status as the Camp David process does, of these areas by inviting limited autonomy, or self-rule, superimposing it on these areas is rather different from free expression, free self-determination, free use of water, so important, of energy by the people. They are not a colonised people to have blueprints superimposed upon them. They need to be self-determined.

[Question] Tell me, what is Jordan doing to make their objections known regarding this canal?

[Answer] I suppose our conversation today is part of what we are doing to explain our position on the subject on which, of course, no consultation has taken place. We are technically in a state of belligerence with the occupier of the Arab lands and it is one of those very difficult situations where the only forum for us is international forum, in addition of course to contacts with the U.S. primarily, and with Europe. As you know sources of finding funds include private sources both in Europe and Canada and possibly even from the U.S., a traditional source of funds for Israel.

It has to be made clear that peace is a comprehensive process. A comprehensive use of our resources can only bring happiness to this area--one-sided use of it in a dominating and arrogant way can only further the qualities that exist and we've made this very clear in a number of ways.

[Question] Don't you feel that the United Nations would be a good place to have a forum regarding this subject?

[Answer] Indeed, the UN concern for regional issues and regional developments is an excellent forum if we can revert indeed to that forum with superpower sanctional support of the dialogue in the UN context. Today in Nairobi an international conference is being sponsored by the UN on renewable sources of energy looking for an alternative to oil. Our future lies very much on our minerals. Potash today is the second most important mineral after phosphate. Yet having invested over \$800 million in the Potash project, we finally find our hopes threatened.

[Question] What will happen to the potash project with the canal?

[Answer] The potash would be very seriously affected by the rise over the period of the construction of the rise over the period of the construction of the canal and its full utilization by about 500 feet and this rise in the level of the dead sea is intended to continue even after the canal project is terminated and we've already heard the rather furious protests of the Israeli potash project director from his side of the dead sea, as it were, asking where the priorities really lie. As I said 18 percent only from hydroelectric that means a lot is left unexplained in terms of the nuclear potential of this canal.

[Question] Tell me what is the importance of the potash plant for the development of Jordan?

[Answer] In the decade ahead we have to find a source of income which helps to substitute for the fact that Jordan has done very well the last decade. We have

over \$1000 per capita income and Jordan would have profited from the potash very significantly in terms of decreasing its dependence on others in terms of any forms of direct assistance which we hoped we could overcome in the course of our next 5-year-plan, but the possibility of combining the potash, phosphate, chemical fertilizer complexes in Awaba at the end of Wadi Araba Rift valley is going to be very difficult, indeed if we have to live with this very worrisome prospect of the canal and its implications.

[Question] You have the potash plant down south and you've got roads down there and you have other projects obviously. Are they just going to disappear under the water?

[Answer] It seems as if the rise of the water is going to affect the tourist roads running from south to north of the Dead Sea. We expected to see a full development of tourism in that area.

[Question] Excuse me, that's been happening to the Israeli too, hasn't it?

[Answer] I think it certainly would happen. I don't know if their other facilities would be affected but as I said there is some controversy in Israel at the present time but I'm interested to see that the director of the nuclear program Neimah is the man heading the canal effort and sponsoring it politically so may be he has the upper hand considering Israel's concern about the nuclear future of the state.

[Question] In your experience, do tourists from around the world visit the Dead Sea and do they find it of interest? What economic importance is this tourism area to Jordan?

[Answer] Tourism again is very much linked to the political future of the area. You can't have successful tourism with instability. Today we find Begin suggesting that visitors to the West Bank from Jordan will not be visitors to occupied Arab territories but to Israel itself--so once again they are complementing in a regional way the economy of the West Bank with the economy of the neighboring areas not only of Israel the occupier is thwarted. [as heard] But the possibility of tourism in terms of religious sites in the West Bank in terms of the continuation to Aqaba, the city of Petra, all of this falls in one complex the possibility of visiting two or three countries in the area is what we always worked towards. And the rise in the water of the canal will flood the Delta in North Jordan and would affect health tourism in terms of the mix of Mediterranean and the Dead Sea water.

[Question] What are the facilities that Jordan has developed to receive the tourist at this point?

[Answer] Unfortunately, in terms of major investment which would be basically as I said for health tourism, very little has been done to date but in terms of infrastructure, electricity, supplies to that area, the Wadi Arab area, the southern part of the rift is no longer a last frontier and we shall be energetically developing this area during the coming 5 years. As you know our tourist facilities were left behind on the Israeli side of the West Bank when occupied in 1967.

[Question] Basically, if they continue with the canal you couldn't go on building this because it is all going to go into the water?

[Answer] Indeed, it is one of those very unpredictable facts in an unpredictable part of the world we have to live with for the moment.

[Question] You know it appears to me that despite the economic advantages of this Israeli project it is significantly mainly political, don't you agree with that?

[Answer] I think, I want to repeat again that the political significance of moving through Gaza and trying to delineate the territorial future of the State of Israel by acquiring further territory with the gradual elbowing out of the people themselves and the expression of Whelm that we will be a nuclear power in the area we will dominate by advanced technology the future of the area, we will be a window onto the neighboring areas which we control or may control--all of this is a very arrogant process, it is not a process whereby a country says I will come to terms and I will live as an equal with others. This is really the worrisome process particularly at this moment with the present attitude of the Begin Government being so clearly one of dividing ruling.

[Question] You know the world is always complaining about nuclear plants. Do you think that the Israelis know that they are really building plants there? [as heard]

[Answer] I think that this project has had very little coverage it is a multi-facted project and what one hears about is more the hydroelectric component, the possibility of the increase in the energy supplier--very little has been said about the nuclear process and of course Israel is still a non-signatory has not signed the nonprolyeration treaty.

[Question] What is going to happen to the agricultural development in Jordan and the area of the Dead Sea--that's the Jordan valley isn't it?

[Answer] Our Jordan valley is really the back bone of Jordan's agriculture and what happens at the north where the Jordan River flows into the Dead Sea, the River Jordan which at its source has already been diverted by the Israelis is really quite worrvng.

The possibility of the flooding of this area--the total Jordan valley development of the north and the center is approximately 30,000-40,000 hectars of land and the affecting of this land in the south will be very worrying for us plus the fact that the effecting of the water table again is going to worry us. In the south we have 12,000 square km which we hope to begin developing agriculturally. What happens there is unknown--so little has been said about this--it is a totally one sided approach.

[Question] The Jordan valley is where you get your food from?

[Answer] Indeed, yes.

[Question] It supplies food, vegetables, wheat for the area doesn't it--would that all be destroyed?

[Answer] Well, in good years we are next not exporting [as heard] vegetables to neighboring areas. I don't say it would all be destroyed but certainly the extension of the Sweet Water Canal from the north to the south of the Jordan valley, from the south of Tiburus to the Dead Sea would be seriously effected.

[Question] This would mean your agriculture would be adversely affected by the rise of the level of the Dead Sea. Would Jordan object to a similar canal that runs through Israeli territory, as they've been talking about alternate roots of the canal running from Haifa southward across North Israel pouring its waters in the Jordan River, Bisan as you call it.

[Answer] I think that Bisan Canal has been moved away from because it takes the nuclear threat away from the Israeli population centers--of course the threat to Arab life doesn't seem to be so important and again this is rather callous but it is the basic principle of the thing. When the British mandate expired, it handed over the problem to the UN and the problem is that there is a vacuum whereby the Palestinians under occupation find their resources continuously exploited--whether it is the hand on the water tap or the hand on the energy supplies. Israel is creating facts in a one sided way without any possibility of consultation. You cannot say that the marshal plan or regional plans such as the Dead Canal are substitute for justice to peoples and justice means all the peoples of the area not one-sided justice to a commercially viable Israel for the moment.

[Question] What do you feel the future holds for us at this point?

[Answer] I'm rather dispondant and gloomy as you can well detect, about the future for the simple reason that centerism whether it is in the Arab world or in possibly even in Israel itself is being gradually forced to submit to forms of extremism of the right, extremists of the left and the building of a prosperous future for this area is not possible under such circumstances.

[Question] How do you think this can be rectified?

[Answer] Only by finding a peace process which is comprehensive, comprehensive on all issues on Jerusalem, in the possibility of withdrawal from occupied territories and above all self-determination for the Palestinians on their homeland and soil from which 100,000's left and on which they would and have to decide their future.

[Question] Do you think the UN can help you with any of these situations?

[Answer] Only if the responsibility is once again handed to the Security Council and once again the superpowers play the role of the superpowers and not get over involved in one-sided processes which to date the Camp David process has been.

[Question] We've discussed the canal and the problems of the Dead Sea is going to have. I wonder if we can talk about Jerusalem itself. How do you feel that situation can be rectified?

[Answer] The three major componants are sovereignty, for not only the Israelis but for the Arabs, the question of the inter-religious dialogue which we think has to develop in the event of peace in Jerusalem which is very difficult to foresee with

the present continuous Israelization of Jerusalem and the question of municipal rights for the Arabs as well as for the Israelis.

These are the three main components but as you know, unfortunately Israel has annexed Jerusalem, an area very much tied to the West Bank, a significant part of the West Bank, in fact nine times what Jerusalem was when it occupied it in 1967 and the only way to move toward a solution in Jerusalem is to invite an alternative process to Camp David which so far has regarded the Jerusalem and the West Bank issues very much as a secondary theme. To us it is a primary theme. Egypt and Israel can make peace but this peace should not be at the expense of addressing the main issue and in the months ahead you have the impression that the Israelis feel that the oil weapon is not serious, that the great powers are concerned over issues of strategic significance are looking globally at world problems and that somehow they can get away with a great deal with further change in the occupied territories and in Jerusalem itself. Jerusalem at the end of the day of course is part of overall political settlement of the issue at hand.

[Question] How do you feel about the Saudi Arabism and what they have proposed?

[Answer] The Saudis have reiterated the basic Arab position, the need for withdrawal from occupied territories and addressing the Jerusalem question. I hope that the articulation of the Arab case by Arab leaders and in particular Palestinian leaders can be heard in the emphasis for the need of a comprehensive peace. We always hear about the belligerent Arab attitudes, how they do not want peace, I believe that the Arab people do want a just and durable peace.

[Question] It is obvious by what the Saudis have said that there must be some feeling that every one in the area does want peace--it seems to be at least a very positive way of thinking. Do you feel that there is an alternative to what the Saudis have said?

[Answer] There is no other alternative other than continued confrontation, security cannot be one-sided, security has to be for all states in the area and justice for people equally has to be for all peoples and states in the area.

[Question] You have many Palestinians living in Jordan. Do you feel that they still want to return to their own homeland?

[Answer] If they are given the possibility, I think so. Jordan is a state that has been a host country for many years but cannot in any way affect the Palestinian right to return to their homeland which is a legitimate right they have yet to exercise.

[Question] Jordan has really been very very good to these people as a host country. How many Palestinians do you have here?

[Answer] In terms of 1967 refugees we have approximately 300,000 but in terms of the total number of Palestinian refugees since 1948 they go to three quarters of a million--many of them have of course moved to the Gulf states as well--but they are a significant community that has been integrated very largely economically, and socially, politically they still look to their homeland and to their soil.

[Question] Thank you.

SUCSESSES OF NATIONAL BANK OF KUWAIT CITED

London 8 DAYS in English No 50, 19 Dec 81 p 47

[Article by Lionel Peters: "Turkey Twice Blessed by Kuwaiti Bank"]

[Text]

THE success of the \$70m syndicated credit for the Central Bank of Turkey owes much to the expertise of the National Bank of Kuwait, one of the few Gulf banks that had financial clout even before the oil price spurt of the last decade.

Since the 1973 rises, many Arab banks have come and gone. Some, built on increased oil revenues, quickly floundered when they entered the euromarkets. Not so National Bank of Kuwait: in recent years its growing activity in the euromarkets has been matched by a burgeoning reputation as a lead manager in both the syndicated loan market and eurobond market.

It is now in its 29th year of operation, and boasts a network of 38 branches in Kuwait — and the start of a global representative network. It already has offices in London and Singapore, with more to follow.

There were two co-lead managers in the loan to Turkey, which is not one of the euromarket's favourite borrowers. National Bank of Kuwait arranged the syndication and also acted as agent, while the Kuwait Foreign Trading Contracting and Investment Company did the loan documentation. Originally it was for \$35m, to finance one shipment of oil from Iraq. The maturity was short (six months) and the margin 1 per cent above Libor.

The syndication went smoothly: participation fees were 1/16 per cent for \$1-2m, 1/8 per cent for \$3-4m and 3/16 per cent for \$5m. As soon became clear to the Kuwaitis, the facility was well oversubscribed — in the end, \$70m was raised.

Co-managers who joined were: Gulf International Bank, Arab Banking Corporation, Libyan Arab Foreign Bank, Kuwait International Finance Company, Frab Bank (now over 50 per cent owned by National Bank of Kuwait) and Commercial Bank of Kuwait. Participants were: Bank Al Jazira, Banco di Roma, Arab Trust Company, United Gulf Bank, Bank of Kuwait and the Middle East, and Banco Arabe Espanol. The corollary, since the

proceeds are twice the original target, is that Turkey will now be buying two shipments of Iraqi oil.

National Bank of Kuwait has also recently completed a small deal to Technip of France. The facility, totalling KD 5.5m (\$19.5m), was arranged and jointly provided by National Bank of Kuwait (the agent) and Industrial Bank of Kuwait. Proceeds are to partially finance new contracts in the Gulf.

However, the market is generally gearing down for Christmas. There are few mandates being offered — many borrowers are waiting until January to come to the market — but there are still some large individual deals around. Dome Finance Ltd of Canada, for instance, is looking for \$1.8bn and, as with many North American jumbo deals this year, the terms are fine. The proceeds are to buy out the remaining shares Hudson Oil and Gas holds in the company.

Uruguay, a rare visitor to the markets, made its first major appearance for the year recently. The borrower is Comision Technica Mixta de Salto Grande and the amount \$100m: the Republic of Uruguay is the guarantor. Terms are ¾ per cent above Libor, for a maturity of 10 years.

The mandate for the Uruguay loan is shared jointly between Chase Merchant Banking Group (which is arranging the books, documentation and is also the agent), Bank of Tokyo and Banco de la Republica Oriental del Uruguay, the country's largest bank, and there was some fierce competition for it.

One Arab loan that was signed recently — with customary promptness — was the Saudi Oger guarantee facility for SR248.3m (\$73m), which was arranged by Arab Bank in Bahrain. There were only managers for this transaction, and they included Amsterdam Rotterdam Bank, Arab Banking Corporation, Bank of America, Citibank, Gulf International Bank, KFTCIC, Manufacturers Hanover, Saudi National Commercial Bank and Société Générale.

BRIEFS

CHEMICAL SHAREHOLDINGS--Middle East interests, in particular Kuwait, have built up significant shareholdings in Hoechst, West Germany's biggest chemicals group, according to reports from leading dealers on the Frankfurt stock market. Speculation that the state of Kuwait has assembled a stake as large as 15 percent in the group, which has a market capitalisation of around \$2.7bn, is exaggerated according to some traders, however, and the company itself said early this month that it had no information that such a large single shareholding had been built up. [Text] [London 8 DAYS in English No 50, 19 Dec 81 p 42]

ROLE IN LEBANESE ACCORD--A number of Lebanese party leaders from the leftist National Movement and the rightist Lebanese Front have received invitations to visit Kuwait in the first half of January, according to the Beirut pro-leftwing daily AS SAFIR yesterday. The visits will take place in two stages, said the paper, indicating that the representatives of the two groups will not be in Kuwaiti at the same time. On this occasion, AS SAFIR recalled that in a recent interview, National Movement president Walid Jumblat said he would not object to having Lebanese national dialogue take place in another Arab country, like Kuwait, for example. In the meantime, Kuwaiti Crown Prince Sheikh Saad Al Abdallah Al Sabah is expected to conduct a tour of Arab countries in the second half of this month. He will visit North African Arab states, AS SAFIR said. [Text] [Beirut THE ARAB WORLD WEEKLY in English No 646, 12 Dec 81 p 1]

CSO: 4400/110

SYRIA SEEKS FACE-SAVING WAY TO ACCEPT RAYMOND IDDAH AS PRESIDENT

Paris AL-MUSTAQBAL in Arabic 24 Dec 81 p 34

/Article by Ghassan Bayram: "Franjiyah Discussed with al-Asad the Process of Making a Reconciliation with Raymond Iddah and Nominating Him to the Presidency"/

/Text/ President Ilyas Sarkis, up to the present, believes that the basic initiative in officially opening the presidential campaign lies with him and he has made all parties face up to the situation resolutely.

Among the elements that are making the president continue to retain the initiative in this context is the plan he has which calls for the date for /selection of/ the new president to be brought forward, by amending the article in the constitution which states that the president is to be elected within 2 months before the end of the term of the current president, next September, and by changing this period to 4 months.

What President Sarkis seems concerned about is to avoid proceeding to turn this plan over to the Chamber of Deputies for approval and officially opening the campaign for the presidency before he reaches an understanding with President Hafiz al-Asad over these constitutional and political steps which are ultimately connected to the selection of the president. This requires that there be total agreement with Syria on the specifications which the person of the new president must possess and consequently on the person of the candidate who must be chosen after people reach agreement over him.

To the extent that reaching understanding with Syria on the selection of the new president is to be considered a vital, necessary matter as regards Lebanon and its future, this agreement constitutes an indication of what the future situation in Lebanon will be--whether it will take the direction of progressing toward a solution or the direction of remaining in the vortex of crisis.

Therefore it seems unlikely, to top figures in the regime and the government, that the date for selecting the president will be settled on before maximum effort is exerted to reach agreement in advance on the specifications and personality of the coming president with Syria. This is what bestows extreme importance on the probable meeting between Presidents al-Asad and Sarkis, since the goal in this meeting will constitute one of the basic factors which, in their totality, make up the

selection of a new president of Lebanon. Among these other factors are foreign considerations, which generally play a main part in the selection of the Lebanese president in ordinary circumstances--not to speak of the exceptional, crucial ones Lebanon is going through.

In spite of the numerous political currents, domestic and foreign, which are grappling with one another on the Lebanese stage now, each of which has its own judgment and viewpoint on the specifications and personality the new president must have, the prevailing tendency which has started to be crystallized more and more is the one which holds that it is necessary to select the candidate by unanimity.

So far it appears that this principle has been agreed to in the Arab and foreign contexts, although each body uses a different expression in this regard. The Arabs talk of the selection of a president of national reconciliation, while the expression currently used abroad, especially in America and some foreign countries, deals with the selection of a president of national consensus--although the two things almost come together in a single set of specifications.

Continuing in this direction, which is likely and expected, means diminishing the hopes of personalities who possess the character of campaign candidates and raising the stock of neutral personalities who can be unanimously acceptable to all parties. The candidates to whom these kinds of political and national specifications most apply are two former deputies, Jean 'Aziz and Minwal Yunus.

It is said that upon his return from abroad the foreign minister, Mr Fu'ad Butrus, advised some party leaders, especially the president, that it was necessary to wait at the present time to discuss some of the names that had been set out in the presidential campaign context who are proteges of the president's and since the outset have been given the character of candidates of the hour in order to ensure the continuity of the platform. Among these names are the governor of the Central Bank, Shaykh Michel al-Khuri, and Col Gabi Lahud.

Minister Fu'ad Butrus, one of the closest and most influential of the president's close advisors, considered that continuing to raise such names at the present time will have the effect of putting them for once and for all in the category of election candidates, especially when the tendency toward a candidate of consensus and reconciliation has been becoming more and more consolidated.

Here Minister Fu'ad Butrus wanted to keep these candidates and proteges constantly hoping for the possibility that one of them could ultimately become the candidate of unanimity or near unanimity.

Because of the obscurity that continues to enfold the future of the situation in the region, prevailing tendencies now remain mere probabilities, although their strengths vary relatively. This continues to give hope to candidates of the stature of Dean Raymond Iddah, especially when we realize that efforts are still being made without letup by the basic influential powers to play the card of candidates of that stature--specifically Dean Raymond Iddah.

For example, former President Sulayman Franjiyah has become a basic party to the process of entering Dean Raymond Iddah's campaign and trying to attract some essential forces that possessed the power of decision to rule on the choice of the new president of Lebanon.

During his recent visit to Syria and the discussions he held with President Hafiz al-Asad in Latakia, President Sulayman Franjiyah raised the possibility of settling relations between Syria and Dean Raymond Iddah, and the need to achieve a reconciliation which would make the dean of the National Bloc, who has been living in Paris for 5 years, an acceptable possible candidate for the presidency.

In light of the information that has leaked out to the government, an official source has declared that President Franjiyah raised the issue of relations with Dean Iddah with President Hafiz al-Asad and senior Syrian officials in the course of his discussion of the ingredients that must be present to establish a broad national front that is supposed to include all the forces opposed to the Lebanese Front, on grounds that a broad national front should contain Maronite political leaders of the stature of Dean Raymond Iddah, so that its establishment can be crowned with success, its success can be crowned with momentum, and its work can assume a national character far removed from factional and class deviations.

A political personality well known for his proximity to President Franjiyah has said that President Hafiz al-Asad basically has no objection to Dean Iddah's returning to Lebanon and joining the broad national front. Damascus had previously expressed its desire for this more than once, but a question mark remains on the possibility or impossibility of Syria's responding to the efforts of its friend and ally President Sulayman Franjiyah in embracing the nomination of Dean Raymond Iddah.

Here one must say that President Franjiyah has been carrying out long-standing contacts from his palace in Ihdin and Zagharta with Dean Raymond Iddah in his place of residence in Paris through mutual friends.

The top government figures who are showing a certain amount of conviction in the impossibility that Syria will embrace Dean Raymond Iddah's nomination do not base their conviction only on the causes of the political dispute between Damascus and Dean Iddah which has been deepening and growing with time since the start of the Lebanese crisis, but also on their belief that Damascus' embrace of this nomination entails a sort of uncalculated gamble in view of Syria's certain knowledge of the presence of basic Lebanese parties which one cannot ignore in the presidential selection, including the Phalange Party and President Ilyas Sarkis, and that it is impossible for Syria to proceed with the course of nominating Dean Raymond Iddah.

In any event, talking about names now still must be considered a form of writing on sand, because the Lebanese presidential campaign is still confined to specifications and principles.

11887
CSO: 4404/112

PROBLEMS OF NOMINATING IDDAH FOR PRESIDENCY REVIEWED

Paris AL-MUSTAQBAL in Arabic 31 Oct 81 p 16

/Article: "A Constitutional Difficulty Confronts the Selection of a New President of Lebanon"/

/Text/ As Lebanese circles, starting today, have begun searching for a new presidential candidate to succeed President Ilyas Sarkis, a constitutional obstacle faces Lebanese candidates and competent circles, especially the members of the Chamber of Deputies. This might intrude in a way that would make the selection of a new president legal in the view of some people and unconstitutional in the view of others.

The source of this difficulty is the fact that the Lebanese constitution contains an explicit article which specifies who is to be chosen president of the country, and how. However, the problem is that the assembly deputies no longer number 99, because seven assembly members have died, while circumstances have not permitted the election of replacements for them within the period set by law (60 days after the death of the deputy).

Article 49 of the Lebanese Constitution stipulates the following:

"A president will be selected by secret ballot by a two-thirds majority of the Chamber of Deputies in its first ballot. An absolute majority will be acceptable in the following ballots."

This, in the opinion of some people, means that the expression "Chamber of Deputies" means perforce 99 deputies, not the 92 who are still alive (may God give them long lives).

They ask that if it by chance happens that a deputy is absent from a presidential selection session, does that mean that the absolute majority (in Lebanon) will not be 50 percent? (This is on the assumption that the majority is half of 99 plus a single deputy.)

These people give another example:

If the Lebanese are asked how many deputies there are in the Lebanese parliament, the answer will certainly be 99. This means that the "assembly" means 99 deputies,

of whom half are 49.5, or in reality 50, while half the current deputies do not total this number, since the "assembly" has acquired a deficit with the death of a number of its members. Consequently, one-half the current deputies do not constitute one half the people.

Dean Raymond Iddah says that in his opinion the majority of the assembly means 50 votes or above, "because it is necessary, in democratic terms, that 'half the Lebanese people or more' support the new president, on grounds that the 'assembly,' in the constitution, is the representative of the entire people." The dean explains this by saying "In Article 34, the constitution stipulates 'A meeting of the assembly will not be legal unless a majority of the members who make it up are in attendance in it.'" This means that "the people who make it up" total 99 deputies, not 93.

This difficulty has been raised for serious discussion, and the chairman of the assembly, Kamil al-As'ad, has hastened to recommend that constitutional experts be summoned from France to solve it or "resolve it in the best manner."

Lebanese deputies say that the bureau of the Lebanese Chamber of Deputies adopted a decision more than 2 years ago that an assembly quorum is one half the deputies who constitute the parliament at the time--that is, all living deputies plus one. Following this ruling, the quorum of the assembly will be met by 46 deputies or above (46 is half the number of living Lebanese deputies plus one).

However, the dispute now is:

Will the meeting to elect the new president occur in a session attended by just 62 deputies in the first ballot (that is, two-thirds the number of living deputies)?

There is a view which holds that 47 deputies will be the majority of the assembly when the assembly is just a legislative body; however, the assembly, in accordance with the constitution, becomes just an electoral body in the session to select the president. On this basis the legal quorum will be rounded out only with two-thirds the number of past deputies, that is, 66.

They say that since independence presidential selection has taken place in Lebanon only in the presence of 66 deputies or more.

The problem has been submitted to the judgment of the Lebanese deputies and French experts (on grounds that the present constitution of Lebanon is derived from the constitution of the French Third Republic).

11887

CSO: 4404/112

GOVERNMENT FIGURE PROPOSES THREE STEPS TOWARD RECONCILIATION

London AL-HAWADITH in Arabic, No 1304 30 Oct 81 p 15

[Article by Ibrahim al-Burjawi: "Reconciliation Requires that Concessions Be Offered by All But It Does Not Presuppose Agreement on Everything!"]

[Text] At the end of a speech he gave commemorating the final year of his current term, President Sarkis once again concentrated on the point that national reconciliation is the only solution to the Lebanese crisis. A few days after that, the prime minister, Shafiq al-Wazzan, looked out at the Lebanese from the television screen and gave a moving speech that expressed the same course of action. A few days ago, after meeting with [former] president Sulayman Frajiyah in Latakia, President Hafiz al-Asad stated that the solution to the crisis in Lebanon could come about only through reconciliation.

Following that, statements of politicians and activists proliferated, in the midst of noticeable manifestations of rapprochement among Lebanese people, about the need for reconciliation, and the elimination of many obstacles along the road [to it], most importantly the psychological barriers.

In this climate, once the nightmare of attempts to dismiss the cabinet had been dispelled for a while, the Council of Ministers, in its latest meeting, decided to have the ministerial committee assigned to discuss reconciliation with the various groups resume its former shuttle activities.

The minister of information, Michel Iddih, in his capacity as the chairman of this committee, talked to AL-HAWADITH on this occasion concerning his notion of reconciliation and the means for achieving it. The following conversation took place:

AL-HAWADITH: Reconciliation is desired by all the parties struggling in Lebanon. Does the most desirable reconciliation in your opinion mean a return to application of the 1943 charter or will it be necessary to set out a new formula for coexistence among Lebanese?

Michel Iddih: While the talk about reconciliation is one of the issues being dealt with at the present time, it is in fact the subject of discussion all the time in all circumstances. Reconciliation is synonymous with Lebanon. When we call for the attainment of reconciliation, we are calling for the restoration of Lebanon.

What is Lebanese reconciliation? It is the result of concord among minorities. Had this concord not come about, there would not have been an independent Lebanon in 1943. This is the national charter, that is, the agreement to live jointly in accordance with common general principles.

The initial reconciliation, as defined by the charter, was expected to have developed in a way that would have completed the creation of the state, had it not subsequently been affected by some erroneous practices in applying the democratic parliamentary system and a number of shocks that Lebanon has experienced, the latest of which was the current tribulation we have suffered from for 7 years. The flareup of the Palestinian issue and the total concentration of Palestinian activity in Lebanon following its elimination elsewhere were among the elements disturbing the situation that we have come to live with, which Israel has exploited in order to deliver its blows against Lebanon and try to damage Lebanon's multi-sectarian formula--which is a glaring contradiction of the racist religious formula Israel is founded on.

However, some mistaken ideas have occurred in the discussion of reconciliation. It has occurred to some people that reconciliation presupposes agreement on everything. Without a doubt, it presupposes agreement on the basics and broadlines, which is what was achieved when the 14 axioms of reconciliation were unanimously approved.

It also presupposes agreement on the basic principles of living, on common general principles among Lebanese, and on rights and dignity for everyone in the context of mutual respect without imposition, monopolization or tyrannization on the part of any given group for any reason or pretext. This is a basic final rule which cannot be changed by circumstances. Among the assets of Lebanese political, social, intellectual and economic life is that everyone enjoy the same freedoms in a climate of fraternity and trust.

Attaining this goal whether it be in the past, present or future requires not the acceptance of settlements at the expense of the higher interests of the country and the state, but rather the offering of the necessary concessions for the sake of these interests. Nonetheless, arriving at this stage, that is, the reconciliation stage, in the political sense commonly used now, will require that the state of conflict end. What has happened in Lebanon, and the tragedies we have suffered so far, have not been the result of differences among the Lebanese over constitutional, social, economic and representational issues and other issues on which disagreements exist in Lebanon and other countries. These issues are dealt with within the democratic game, not through fighting and violence. It has become clear that the struggle going on in Lebanon is a reflection and an extension of the external struggle in the region.

This democratic game has now been suspended in Lebanon because of violence, fighting and armed manifestations, but it must revert to its natural state, preparatory to a resolution to these problems, in order to deliver Lebanon from a state of war.

Reconciliation, in the present stage, means agreement on basic essential points in order to guarantee the shift from a state of conflict to a state of dialogue, within the democratic parliamentary context, which is the most appropriate context for parliamentary life, through these basic points:

1. Agreement among all on regulating the temporary Palestinian armed presence in Lebanon until the establishment of a Palestinian state on the territory of Palestine.

2. Agreement on a special relationship between Lebanon and Syria.
3. Agreement on preventing Israel from intervening in Lebanese domestic affairs.

AL-HAWADITH: The principles of the 14 axioms you have talked about have not been put into practice. Does that mean that there is a dispute concerning them or that there are factors that have prevented their implementation.

Michel Iddih: The principles that everyone accepts, and which are included in the axioms for reconciliation, are supposed to absorb everyone's efforts totally while they prepare to put them in practice. This does not mean that there will not be people in opposition and that there will not be numerous ideas and ideologies; that is part of the nature of a free democracy that Lebanon has always called for. However, this does not mean, either, that differences in opinion will lead to destruction, violence and fighting; on the contrary, the diversity of thoughts and views is supposed to be accompanied by a rotation of responsibility when the people are given the chance to make their statements freely, that is, after the elimination of the armed manifestations and the termination of all armed presence that has always led to thwarting the will of the Lebanese people.

We in Lebanon are not strangers to this climate. Rather, it is the natural state of our lives and must be restored so that Lebanon may be restored. Therefore we reject and repudiate violence. We repudiate practices which thwart our continuous readiness for national reconciliation. We have come to realize that Israel is the prime beneficiary of the breakdown in domestic accord because no one else can benefit as much from the terrorist operations we are witnessing from time to time.

AL-HAWADITH: Do you believe that political reconciliation in Lebanon will soon be achieved at the hands of President Sarkis, in accordance with the uncontested principles, or is that to be left to the future?

Michel Iddih: When the present violence ends, and our national territory is liberated from the restrictions imposed on it preparatory to the restoration of a normal life, we will have to face the future bravely and resolutely, whatever it may cost, in the manner the coming stage requires.

The past stage, for Lebanon and the Lebanese, was one of endurance and perseverance that demanded much bravery. The credit for that goes to Ilyas Sarkis, who bet on basic options concerning Lebanon and saved Lebanon from fragmentation, partition and loss. He had enough boldness and resolution to move against the current at times and face difficulties and obstacles, ignoring popular support and emotions at that time. The comprehensive yearning for reconciliation and communality of ideas and the unanimous acceptance of the principles of reconciliation President Sarkis has declared, are just proof of the soundness of the choice he has made with regard to Lebanon.

As much as hard trial has pained us and caused us many sufferings, it has entailed hopes which fuse great peoples together as they proceed toward destiny. We in Lebanon have had a rendezvous with history and we have extended our hands to it. Lebanon today is not just the site of conflict and the arena of combat--it is a decision center of peace, security and stability in the Middle East region. No international meeting or conference is held in which the subject of Lebanon does not appear among the topics and resolutions. We are in agreement with everyone on major, noble human goals, but most importantly we are in agreement among ourselves on this unique Lebanese experience which has been and remains a valuable, advanced, experience, and has persevered like Lebanon.

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CSO: 4404/112

BRIEFS

SOVIET COMMITTEE CABLES SUPPORT--The brother leader has received a message from the Presidium of the Soviet Afro-Asian Solidarity Committee. The message says: The Soviet people strongly denounce the provocative campaign of the American administration against the Libyan Arab people and the leader of their revolution. We are certain that this American behavior, hostile to Libya and the Arabs, will be faced by rejection by the peace, justice and freedom loving masses and the world liberation movements. We assure you of the solidarity of the Soviet people with the courageous people of the Jamahiriyah, against imperialism and its traitorous agent symbols. [Text] [LD281428 Tripoli Domestic Service in Arabic 1330 GMT 28 Dec 81]

CSO: 4504/56

OIL EXPLORATION EXAMINED

Casablanca LA VIE ECONOMIQUE in French 20 Nov 81 p 7

[Text] In the field of petroleum exploration in 1980, six new permits were issued to BRPM [Mineral Prospecting and Investment Office] and its partners, a new agreement on exploration among BRPM, EAM [Elf Aquitaine Morocco] and SCP [Moroccan Petroleum Company] was signed, IBRD granted BRPM a loan to expand hydrocarbon exploration and, above all, extensive drilling led to the discovery of four gas deposits in the Gharb which are now under evaluation.

In late December 1980, BRPM held 30 prospecting permits; 15 on land (11 were held by BRPM and 4 were under agreement) and 15 offshore (12 held by BRPM and 3 under agreement). These permits covered an area of 112,282 square km, as compared with 84,559 square km in 1979.

In 1980, six permits for drilling were issued--the land permits of El Hamman, Melloulou, Lebene, M'Da, the offshore Drader permit near Moulay Bouselham (the last two under the BRPM-EAM-SCP agreement) and the Agadir offshore permit near Agadir under the BRPM-OXY [Occidental Petroleum Corporation] agreement.

The agreements in effect as of 31 December 1980 are the following:

1. The BRPM-AEX [expansion unknown] agreement to work the gas fields of Douar Jaber, Mechraa Bel Ksiri, Oulad Merah and Oulad N'Sa in the Gharb;
2. The BRPM-Phillips-AGIP-Getty-BP agreement for offshore exploration at Smimou and Cap Sim;
3. The BRPM-EAM-SCP agreement to mine the El Hamman, Melloulou, Lebene, M'Da permit areas on land and Drader offshore.
4. The BRPM-SCP agreement signed in 1980 to drill in the Jeer, Kechoula and Sidi Rhalem concessions located in the Essaouira basin belonging to SCP.

Drilling increased in 1980, a number of seismic profiles were drawn up and wells were drilled for BRPM or under agreement.

Seismic work increased substantially; a total of 1,873 km were profiled as compared with 629 km in 1979; it was carried out as follows:

A team working for BRPM using the vibroseis method covered 1,086 km;

A team working for BRPM-EAM-SCP and BRPM-APEX [American Petrofina Exploration Corporation] using the conventional method covered 787 km.

Drilling activity rose markedly in 1980. In all, 27,670 meters were drilled in 1980 as compared with 19,493 meters in 1979. A total of 11 new wells were completed and 3 more were in progress at the end of the year.

BRPM drilled five wells in 1980:

1. EGA 2 (El Gouna number 2) under the Agadir permit was halted at 2,020 meters down in the Valangenien-Hauterivien after encountering rock formations;
2. DGR 3 (Dhar El Guernina number 3) under the Karia permit completed at a depth of 2,842 meters in the Lias strata;
3. MKL 101 (Meskala number 101) under the Essaouira permit was halted at 3,820 meters down in the middle-upper Devonian strata;
4. KBF 1 (Kouba bi Facium number 1) under the Essaouira permit completed at a depth of 2,340.5 meters in the Trias strata;
5. NDK 4 (N'Dark number 4) under the Essaouira permit completed at 1,950 meters down in the Collovo-Oxonian strata.

Only the MKL 101 experimental well indicated substantial quantities of gas under high pressure in the sandstone of Trias. The reserves will be evaluated in the future.

At the end of the year, two BRPM wells were being drilled:

1. RM 1 (Remada number 1) under the Tissa permit had reached a depth of 3,210 meters by the end of the year;
2. MAC 1 (Maachat number 1) under the Abda permit had reached a depth of 3,013 meters.

Under the BRPM-EAM-SCP agreement, five wells were drilled.

They are all located in the Gharb plain under the M'Da permit:

1. OYF 1 (Oulad Youssef number 1) halted at a depth of 1,352 meters in the Miocene suprastrata;
2. HAI 1 (Hammad Achlouj number 1) completed at 1,667 meters down in the Miocene suprastrata;

3. ALG 1 (Allag number 1) terminated at 2,275 meters down in the Miocene suprastrata;
4. ALG 2 (Allag number 2) completed to a depth of 1,752 meters in the Miocene suprastrata;
5. OBD 2 (Oulad Ben Dech number 2) halted at 1,270 meters down in the Miocene suprastrata.

Of the five wells dug, three showed sizable amounts of gas--OYF 1, ALG 2 and OBD 2. Long-term evaluations will be done to estimate the reserves.

At the end of the year one BRPM-EAM-SCP well was being drilled:

ANS 1 (El Anasba number 1), also located in the M'Da permit area, had been drilled to a depth of 1,298 meters in the Miocene suprastrata.

Under the BRPM-AEX agreement, one well was drilled:

ONS 1 (Oulad N'Sa number 1) in the Oulad N'Sa concession in the Mechraa Bel Ksiri area was halted at a depth of 1,056 meters in the Miocene suprastrata.

This well showed a sizable accumulation of gas, estimated at 250 million cubic meters. Additional work must be done to estimate the reserves more accurately; most likely, they are even larger.

Equipment belonging to BRPM was used for all drilling for BRPM, BRPM-EAM-SCP and BRPM-APEX.

A loan of \$50 million was requested and obtained from IBRD to accelerate oil exploration in Morocco and evaluate the petroleum potential of Moroccan sedimentary basins. This loan should finance the drilling of approximately 17 oil wells and the execution of several seismic profiles. Essaouira, Doukkala, Boudnib, Hauts Plateaux and Rif profond are the areas covered by this exploration program.

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CSO: 4519/72

GOVERNMENTAL POLICIES OUTLINED

Casablanca LA VIE ECONOMIQUE in French 27 Nov 81 pp 3, 9

[Speech by Prime Minister Maati Bouahib; date and place not specified]

Implementation of the 1981-1985 Plan

[Text] The 5-year plan gives priority to defense of territorial integrity, restates the need to reduce social and regional disparities and sets the GNP growth rate at 6.5 percent a year.

A total of 111 billion dirhams will be needed to achieve the developmental goals of the plan. The annual investment will thus be approximately 25 percent of the GNP.

The private sector is called upon to implement this plan effectively by providing 39 percent of the necessary investment; the state, public and parastatal firms will provide the rest.

An Emergency Program

His majesty the king instructed the government to carry out, within the 5-year plan, an emergency program to foster economic growth and improve the social situation. Social problems must be solved if the disparities are to be reduced and social peace achieved.

The objectives of this emergency program include creation of as many jobs as possible, construction of decent housing for citizens, measures in the field of education, in the struggle against illiteracy, in the health sector, expansion of the road system and the supplying of electricity and drinking water to citizens.

Employment

The government will pay close attention to labor-intensive sectors in the rural and urban areas so that the tens of thousands of youthful job seekers can find work.

In this connection, his majesty the king made the Ministry of Labor and Vocational Training, in liaison with appropriate departments, responsible for assuring workers and employers of job security and promoting a policy of continuity to protect the rights of all workers at home and abroad.

To enhance this policy on employment, the government will act to encourage investments in the agricultural, industrial and handicrafts sectors, the construction industry, tourism and commercial fishing and also create jobs in the civil service sector which plays an important role in hiring newcomers to the job market.

Agriculture

The government will oversee the development of the agricultural sector and will sponsor adequate programs to create the largest number of jobs in the rural area. Agricultural training will also be made available in high schools.

However, it is not enough to work the land and farm properly to achieve these objectives; quite the contrary, the peasant and his family must be assured of decent housing, educational opportunities and medical care.

Housing

The government will carry out a vast program covering several provinces in the kingdom and will try to absorb the slums and build nearly 50,000 new housing units in the countryside and the cities.

Civil authorities will encourage individuals to contribute to this effort.

It should be mentioned at this time that the code for housing investments promulgated in April 1981 stipulates that new housing units are tax exempt for 15 years.

Fishing

The importance which his majesty the king and his government place on using our fishing resources is reflected in the creation of a department responsible for commercial fishing.

This sector has the potential to create 15,000 new jobs, to add to the existing 50,000. The development of this sector will increase the catch from 330,000 tons in 1980 to 600,000 tons in 1985.

The government will encourage the domestic consumption of seafood. Equipment must be acquired and a distribution network set up throughout the country.

To modernize the commercial fishing sector, there must be substantial national and foreign investment and skilled personnel and qualified professionals must be trained.

Our goal is to place this vital sector in Moroccan hands as soon as possible. Dynamism and commitment by the sector's personnel are essential if we are to succeed.

Education

Given the crucial importance of the educational sector, the state has made a substantial allocation to the equipment budget to build the following:

At the primary and secondary level, a total of 9,700 classrooms, 7 regional teaching centers, 3 advanced teacher training schools, 2 institutes for advanced technical education, 135 school cafeterias and 29 boarding schools;

At the university level, 4 classrooms, 9-500 seat amphitheaters, 11 laboratories and workshops, a university dormitory for 1,000 students and a student restaurant in Rabat.

In addition to this emergency program, the normal building program includes the second phase of the schools of science of Oujda, Marrakech and Fez, the Rabat school of dentistry, the Casablanca school of science, two advanced technological institutes at Fez and Casablanca and the expansion of the Mohammedia school of engineering.

Industry

The 5-year plan calls for setting up 33 industrial parks, 10 in 1982, which will create 30,000 direct and indirect jobs and will help eliminate the disparities among various provinces in the kingdom and promote more balanced regional development.

Rural Infrastructure

To achieve a balance between urban and rural areas, the government will, in 1982-1982, provide electricity to 254 rural areas. It will build over 1,800 km of highways and roads to facilitate travel to remote places and mountain areas.

Telecommunications

The government will encourage the development of a national telecommunications sector to decrease our country's dependence on other countries in that area.

Water

For the past few months, the drought affecting our country has been a clear warning about the importance of water.

To alleviate shortages, a vast program to locate and use underground water sources for drinking water and irrigation needs has been drawn up. The government will also build several small and medium-size dams and do related projects.

Program to Save Livestock

Very special efforts will be made to save the livestock valued at 1,000 billion centimes.

A total of 18 billion centimes will be allocated for this and approximately 30 billion centimes in credits will be granted to stock raisers.

Adequate quantities of fodder for livestock will be imported and exempt from duties; it will be sold to farmers at reasonable prices.

The export of some heads of cattle will be authorized to prevent their loss and the meat from the slaughtered animals will be frozen.

In addition, the government will be stringent about health inspections for livestock and marketed meats.

Administration

To prevent abuses, the government of his majesty the king will supervise and strictly control the administrative and judicial branches as set out in the constitution.

The smooth functioning of the administrative branch and the defense of the citizen's interests require, more than ever, the mobilization of all parts of this institution and the judicious use of its authority. Likewise, civil servants must be civic minded and remember that, above all, they serve the citizens.

Prices

In the near future, the government will draw up a list of basic foodstuffs whose prices will be regulated to prevent the inflated prices of some goods.

At the same time, it will revise regulations on the distribution of merchandise and price controls. Some regulations are now outdated. Likewise, a specialized agency will be established to protect the consumer through strict price controls.

Tax Reform

During this session, the government will present several bills to improve the economic and social situation; I will mention in particular the tax reform bill to revise the tax rates on the highest salaries and wages which will help achieve greater social justice among the citizens.

Investment Incentives

During this session, the government also plans to submit bills on encouraging investments in agriculture, industry, handicrafts and tourism, projects to revive economic activity in various provinces and remove administrative obstacles for investors. To achieve these objectives, a new organization responsible to the prime minister's office will handle all dealings with investors and will have all necessary powers to carry out projects quickly, under the best possible conditions.

Exports

The government will soon approve measures to promote the export sector, giving it high priority for our domestic economy.

Energy

To reduce energy costs which equal half of our hard currency reserves, we will increase our efforts technically and financially to explore for oil, coal deposits and renewable energy sources.

Because of our country's difficult situation, an appeal is made to all citizens especially the most privileged that they limit their expenses and invest their capital gains in national savings accounts to contribute to the general development effort.

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CSO: 4519/72

ECONOMIC GROWTH SAID TO BE SLOWING DOWN

London 8 DAYS in English No 1, 9 Jan 82 pp 38, 39

[Article by Paul Barker: "The End of the Saudi Boom"]

[Text]

IN MAY, the Saudis are due to present the third budget for the Third Five Year Plan (1980-1985), and it would be no surprise if real expenditure totals are down on the 1981-1982 figures. No surprise, that is, to those who have read the Five Year Plan document carefully, but a rude shock nevertheless to many businessmen who are still striving to break into what they see as one of the few growth markets in the world today.

But the truth is that as the rest of the world, or at least the industrialised part of it, nudges its way slowly out of recession, the Saudi economy is sinking slowly into a period of reduced economic activity and retrenchment. Consolidation rather than growth is how the Saudi planners put it in discussing the performance of the vital retail and wholesale trade sector from now on.

Evidence for this rather startling appraisal is easy to come by. In chapter 9 of the Saudi plan, entitled 'Plan management and implementation', the planners admit that 'the volume of government expenditure already committed is a high percentage of the expected total government expenditure in the next five years... this amount is largely allocated in the first two plan years.' They then go on to promise that a detailed review and updating for the last three years of the plan period will be undertaken by the end of the current Saudi fiscal year. The May budget should reveal the first fruits of this review, and it is for this reason that preliminary budget details are anxiously awaited in the business circles of Riyadh and Jeddah.

Other signs that the Saudis are expecting some contraction of their economy abound. The annual growth targets for both the oil and non-oil sectors have been greatly exceeded during the first two years of the plan, suggesting a significant fall if the overall annual averages are to be maintained. The real growth in the economy in 1980 and 1981 is reckoned to be around 11 per cent annum; for the 1980-1985 period, the target is a much more modest 3.3 per cent. The administration is also committed to limiting the number of expatriate workers, even at the inevitable cost — by its own admission — of a slowdown in project implementation.

Government rulings of recent months also show concern to keep existing and locally-owned capacity in all sectors at full stretch, if at all possible, in the event of an economic freeze. Perhaps the most surprising edict was one passed in early November which rescinds a ruling of 1976 preventing companies and contractors from renting houses and office space within cities.

Foreign companies will, from now on, not be allowed to build their own residential facilities except at worksites far from cities. Companies that may already have set-up a 'Portakabin park' are in a particularly unfortunate situation: they are now forbidden to let housing facilities to other companies or individuals. Furthermore, companies with their own housing facilities will have to relocate in the cities within two years.

These measures are designed to help city landlords, who might otherwise have faced the prospect of empty apartment blocks. An

earlier ruling had decreed the end of rent controls by November 1982, in the belief that at that time supply and demand would roughly balance.

Two other government rulings have been interpreted as efforts to help local businessmen through the coming years. These were protectionist measures restricting simple construction work, catering, operation and maintenance, transport, and importing raw material to Saudi firms.

On the industrial front, there has been evidence of a slow-down in growth for some time. As early as 1980, the Saudi Industrial Development Fund raised the alarm about overcapacity in the building materials sector, when it suspended loans to proposed new plants. In 1981, it was forced to stop loans to dairy processing factories as well, while recent studies by the government-owned Saudi Consulting House show overcapacity in cement pipes manufacturing. This sort of bulk product is difficult to export successfully, and so factories will simply have to cut output and suffer financially.

To an extent the situation in industry is not typical. Cheap government finance in this area convince Saudi businessmen to jump on certain manufacturing bandwagons, knowing that, at worse, their own capital loss would be minimal. The planners have hinted that a retraction of the local economy may force Saudis to invest in sectors where profits are slightly harder won. But this is very much against the quick turnover mentality of Saudi trading families; more likely a recession will persuade them to take their money abroad in search of real estate investments.

So the demand side has flagged, slowing down the economy. Another factor uppermost in the mind of at least one Saudi cabinet member, Oil Minister Sheikh Yamani, will be the amount of revenue from oil available to fund next year's budget. Sheikh Yamani shares with his Opec colleagues a penchant for discovering oil price cycles, and he said repeatedly in

recent months that Opec oil prices have reached the low point of a second cycle which started with the Shah's overthrow in Iran.

Is the picture really so grim for exporters to the kingdom? In the short term there will be some pockets of resistance to the general slowdown. The building of the huge petrochemical and export refinery plants at Jubail and Yanbu, as well as the completion of the industrial cities themselves, will provide one. There will be some opportunities to improve internal communications within the kingdom and to upgrade Saudi Arabia's modern cities. For consumer goods exporters, the hope will be that the market and their market share will at least hold even. Demand for household appliances has stabilised. As for the car market, imports were up only two per cent in 1980, and Japanese exporters are reporting actual reductions in sales in 1981.

In the longer term it becomes very difficult to see how Saudi Arabia can keep up its spending spree. Obviously, capital expenditure on large industrial plant and new oil and gas exploration can be kept high, but this does not have a great knock-on effect and can hardly be carried out by the private sector on its own.

At a conference in California in August, one US official who had worked with the US-Saudi Joint Commission on Economic Cooperation had the following prescient words to say about the economy: 'You've had the boom. The bulk of the business was taken by existing trading firms. Where is the expansion going to take place? It is going to be increasingly difficult for new businessmen to come in. The period of large growth is past.'

It's a fair bet that by the end of 1982 there will be a large number of sorry businessmen, both Saudi and foreign, agreeing with this opinion. But the Saudis may find that they got what they wanted during the decade or so of virtual invasion by foreign businessmen and contractors.

SAUDI ARABIA

BRIEFS

FOREIGN PETROCHEMICAL PARTICIPATION LIMITATIONS--Saudi Arabia may limit foreign participation in its second-phase petrochemical ventures to as little as 20 per cent for intermediate products, instead of the 50 per cent in the first phase of major export oriented joint ventures. According to the Petrochemical Intelligence Weekly, the Saudi Basic Industries Corporation (SABIC), the agency in charge of the program, plans to limit foreign participation because the secondary installations are intended primarily to serve local and regional needs. The industry newsletter added that Saudi private sector participation will be encouraged partly to stimulate local marketing. The first-phase projects were essentially export-oriented ventures established to produce primary petrochemicals, methanol, fertilizer, and steel. The earliest that the first five intermediate plans could be implemented would be 1987. Construction, however, would not begin until 1983. The intermediate plants will include a vinyl and a steel complex to produce flat products. [Text] [Beirut THE ARAB WORLD WEEKLY in English No 646, 12 Dec 81 p 14]

CSO: 4400/111

KHALIL ON JOINT DEFENSE COUNCIL

NC281230 Cairo MENA in Arabic 1012 GMT 28 Dec 81

[Text] Cairo, 28 Dec (MENA)--Sudanese First Vice President Lt Gen 'Abd al-Majid Khalil has stated that the joint Egyptian-Sudanese military exercises have never ceased and that we are seeking to expand and improve them.

The vice president was answering reporters questions following his meeting with President Husni Mubarak at the al'Urubah palace today.

Lt Gen 'Abd al-Majid Khalil said that his meeting with President Mubarak took place within the framework of the unity between both countries and the framework of brothers to exchange views and coordinate stands vis-a-vis the international situation and the regional situation.

Answering a question on the security situation along Sudan's borders and whether the Sudanese borders are completely secure, Khalil said: There is no state in the world, including the great states, where national security is absolute. Relatively speaking, however, I can say that Sudan is stable. We work together, with fraternal Egypt, to ensure the continuation of stability and security in both fraternal countries. This is done in the interest of both countries and those of the Arab nation and the African nation.

Responding to a question about the most important results of the joint defense council's meetings, Khalil said: We approved the recommendations and resolutions of the previous meeting of the joint chiefs of staff. We also discussed all issues related to military coordination between us and Egypt and issues which concern the region as a whole. We further discussed the political and security conditions in the region and adopted resolutions and recommendations which we submitted to the governments of both countries.

'Abd al-Majid went on saying: We have decided to increase the number of meetings of the joint defense council. He added that Lt Gen Abu Ghazalah will visit Sudan in mid January.

CSO: 4504/56

EGYPTIAN PAPER INTERVIEWS VICE PRESIDENT

PM051401 Cairo AL-AKHBAR in Arabic 30 Dec 81 p 5

['Adil Rida interview with Gen 'Abd al-Majid Hamid Khalil, Sudanese first vice president, defense minister and commander in chief of the armed forces: "My Meeting with President Mubarak Has Again Confirmed That Egypt Will Remain the Pulsating Heart of Arabism"—date and place not specified]

[Text] Question: What are the results of your meeting with President Husni Mubarak and your talks in Cairo?

Answer: First I want to say that I was happy to meet with President Mubarak, whom I had the honor of knowing closely during the October War, and later when he was vice president. This meeting was my first since his election as president of the Arab Republic of Egypt. I am happy because the meeting was bound to produce serious and useful results in the service of Egyptian-Sudanese relations. It has been decided to take important new steps to activate the integration process between Egypt and Sudan and to turn it into a tangible reality that will bear fruit for the two peoples of the Nile valley with the required speed and positiveness. We both believe that integration should not only be written theories and publicized philosophies but also rapid and practical implementation. We have agreed to set up a higher body to study all the integration projects, including the ones already implemented and the ones still pending, to expedite the implementation of the deadlocked projects. All government departments in both countries will devote all their capabilities to the speedy implementation of these projects.

We discussed with President Mubarak the question of coordination in all fields, including the military field, to enable Egypt and Sudan to defend themselves without joining blocs, which we particularly reject at a time when the big powers are trying to establish spheres of influence for themselves in Africa and elsewhere. This is necessary for both countries because, as you know, there are activities at the international level which make it necessary for us to strengthen our capabilities in order to be able to formly resist the dangers without resorting to blocs or axes and to avoid polarization in the service of the strategies of the big powers.

Our discussions with President Mubarak also covered the issues of security and stability in Egypt and Sudan. It is known that ours is a peaceful, nonaggressive

policy, but we follow a peaceful course from a position of strength and capability and not from a position of weakness and capitulation. We have agreed that we must raise the combat efficiency of the armed forces in both countries so as to be prepared for all eventualities, by relying on our intrinsic capabilities as much as possible. We have also agreed to bolster our economic relations and develop the Egyptian and Sudanese economies to fulfill the needs of the people and meet the requirements of the development plans in both countries.

My discussions with President Mubarak have confirmed to me that Egypt will always be the pulsating heart of Arabism and will continue to be the pioneer of the Arab nation and to give generously to the Arab nation while maintaining its strong and lofty posture without hesitation or interruption. President Mubarak's deep strategic thinking and understanding of international equations will produce the most splendid results for fraternal Egypt. We in Sudan will always support President Mubarak, and we hope that every Arab and every African will support and back him so that he may fulfill the great Arab and African aspirations.

Question: What has the Egyptian-Sudanese joint defense agreement achieved since it was signed in July 1976, and what has been decided at this meeting in support of military cooperation and development between the two countries?

Answer: The joint defense agreement is only an expression of an existing reality. Security in Sudan and Egypt is indivisible and is the joint responsibility of both countries, whether there is an agreement or not. The agreement has confirmed and has legislated for an existing reality. The agreement consists of eight clauses. Some of these clauses have been fully implemented, while other clauses are in the process of implementation and have not yet been completed for reasons of time or high cost. I wish to say that we have made good strides toward arms standardization. There is no doubt that the increased rate of economic development in both countries and industrial progress in Egypt will ensure that all requirements will be met.

Ever since it was signed the agreement has been neither suspended nor slowed down. The most magnificent thing about it--and this is something for the Arab brothers to think about--is that even when there were differences of opinion the agreement was not affected because it is a strategic agreement and a natural matter.

I do not want to dwell much on military affairs but I do want to stress to you that the agreement has achieved a lot and has become a major deterrent to anyone who covets the Nile valley. It is not an offensive agreement. The proof is that in the past 5 years it has not been used against anyone, but it will deter everyone who might contemplate aggression against the people of the Nile valley. We in Egypt and Sudan reject the policy of blocs and of submission to the strategies of the big powers. Yes, we are members of the Arab joint defense pact, but mutual defense between Egypt and Sudan is a vital, necessary and natural matter.

You ask about future steps. The training of our forces in Egyptian institutions will continue. We are benefiting from Egyptian expertise in Sudanese institutions, especially the specialized branches of the higher academy, such as air defense. We will hold joint exercises in the coming years and we will increase our exchange of expertise. The forces of the two countries will continue to coexist.

As for the development of the Sudanese army, there is steady and continuous work aimed at ensuring security and stability. We have received aid from Egypt, China and the United States. We are holding contacts with other states, such as Britain and Yugoslavia. We have learned much from the October War. We learned that the individual played a major part in winning the battle. This is why we give every attention to the Sudanese individual, so as to enable him to defend his borders and the borders of Egypt in the event of aggression. You perhaps agree with me that it is important to continue our training and armament in order to defend ourselves against any attack.

Question: What about the situation in Chad?

Answer: We in Egypt and Sudan are all for stability, for the return of normal life and for national unity in Chad. We seek to help our brothers in Chad achieve these things. We emphasize that neither Egypt nor Sudan has any ambitions in Chad. However, the absence of security there affects security in Egypt and Sudan, this is why all we want is stability for Chad. To underscore this fact we have asked the OAU to monitor the borders with Chad in order to verify that no threats to Chad emanate from Sudan and that Sudan harbors no hostility toward Chad. We want to help Chad attain stability and solve the problems of poverty and misery there. President Goukouni ueddei of Chad will visit Sudan 5 January. The restoration of relations between Chad and Egypt and Sudan is perhaps one of the results of Egyptian-Sudanese coordination.

Question: What about the attitude toward Libya?

Answer: Sudanese-Libyan relations will always depend on whether or not Libya changes its attitude toward Sudan and ends its aggression against Sudan--whether this aggression is flagrant, as in the days of the Libyan intervention in Chad and Libya's air raids on our villages and borders, or is effected through the medium of some elements who oppose for the sake of opposition. At any rate it was Libya which started the aggression. We do not antagonize anyone. Our relations with all our neighbors are excellent, unlike Libya's relations with its neighbors.

Question: What does the future hold for Sudan?

Answer: In the coming weeks an extraordinary session of the Sudanese socialist union will be held to study the regional government experiment and assess it on the basis of the actual practice of regional government from national and regional angles, and to draw the necessary conclusions to further enrich this experiment.

CSO: 4504/56

PROVISIONS OF SIXTH DEVELOPMENT PLAN EXAMINED

Tunis DIALOGUE in French No 380, 14 Dec 81 pp 48-50

[Text] In any developing country, economic and social action is often faced with internal and external limitations. In Tunisia, the domestic constraints are basically:

- An additional need for jobs of about 65,000 per year;
- A tendency observed throughout the second decade toward an increase in consumption in real terms exceeding the growth of the gross domestic product; and
- A similar trend for imports as compared to exports.

As to the foreign limitations, they are mainly:

- The expectation of a deterioration in the terms of trade, already seen in 1971 and likely to accelerate in 1972, while Tunisian foreign trade benefited during the second decade from rather favorable development in the terms of trade; and
- A slowdown in the growth of industrialized countries, which has committed them for some years to a policy of reducing demand, even having recourse to protectionism in some cases and for some products.

It is, moreover, these limitations which underlay the provisional scheme drafted for the Sixth Plan, and more particularly, that for 1982.

The main guidelines of the outline for the Sixth Plan include a breakdown of investments to the advantage of productive investments, on the one hand (65 percent as compared to 60 percent throughout the Sixth Plan), and projects which make heavy use of manpower (32.5 percent as compared to 22 percent) on the other hand, as well as a reduction in the rate of increase in consumption and a rapid advance in exports other than oil.

At the current stage in the work of preparing the Sixth Plan, the hoped-for results should be reflected mainly in a 6.7-percent annual increase in the gross domestic product, the creation of 280,000 jobs and the maintenance of the current deficit in the balance of payments (5.6 percent of the gross national product as compared to 7.2 percent throughout the Sixth Plan), as well as the debt service coefficient (12.3 percent 1981 and 1986) within tolerable limits.

To this overall quantitative plan, one must add the qualitative steps in terms of income distribution, decentralization and various reforms.

The Economic and Social Policy in 1982

The projects which are currently being pursued within the framework of the Sixth Plan are designed to deepen, complete and make more specific the various reforms set forth in the guideline document.

Their implementation is contributing to the achievement of the quantitative goals of the Sixth Plan and development of the suitable structures which can guarantee harmonious and increased growth for the Sixth Plan and the third decade. In any case, these reforms have already led to concrete steps, some of which were implemented during the course of 1981.

I. Increased Employment

The series of measures adopted in 1981 to improve the employment situation and to strengthen the job content of growth will be consolidated during 1982.

Among the steps taken last year, we might mention among others the revision of the system of incentives for investment in the manufacturing industries for which Law No 81-56 dated 23 June 1981 provided; the incentives for placement or at least the practical training of young graduates of educational and training institutions for which Law No 81-75 dated 9 August 1981 provided, pertaining to the increased employment of young people, and the decree dated 24 September 1981 governing its application; the steps to encourage the crafts and minor trades included in Law No 81-76 dated 9 August 1981; the encouragement of more intensive cooperation in the employment field between Tunisia and the Arab countries, on the basis of measures adopted last April.

The year 1982 will be characterized by the pursuit of these efforts. It is to this end that the reorientation of investments has been designed: 23 percent of the investments in 1982 will go to productive projects making heavy use of manpower, as compared to 21 percent in 1981. This minor improvement is explained in reality by the size of the projects being pursued. We should also note the priority given projects with low and medium capital requirements. Out of a total of new productive projects costing 233 million dinars, a total of 159 million, or 63 percent, involve activities with low or medium capital intensity.

In addition, 1982 will see the clarification of the main outline for educational reform and the planning of the implementation of this reform in time. It is a question of ensuring that each student receives, before leaving school, basic general and technical training, consolidated by vocational training.

Let us also note the role which will be played by the Rural Development Program (PDR) in the increase in employment. This program will receive an allocation of 30 million dinars in 1982 as compared to 20 million in 1981. The program activities will be supported by the traditional afforestation and CES programs, which will be allocated credit totaling 13 million dinars as compared to 12 million in 1981.

Finally, the establishment in 1981 of a general commissariat for regional development should promote studies, beginning in 1982, leading to integrated development projects in the various regions and identifying the infrastructure and development programs capable of encouraging decentralization of economic activities and employment and promoting balanced development in the regions as a whole.

II. Social Protection

Numerous activities in the realm of social protection characterized the years 1980 and 1981. They can be grouped into two categories:

The first pertained to the extension of the field of application for social security and the coverage of new social risks (reorganization of the social system for agriculture determined by the law dated 12 February 1981). More than 150,000 workers were affected by these measures.

The second category had to do with the granting of a series of new social benefits to those insured in the private nonagricultural category (extension of the single wage allowance, establishment of death benefits, increase in the rate of daily wage compensation to two-thirds of the wage as compared to 50 percent previously, increase in the pension rates for widows and orphans, extension of free care benefits to the parents of national insurance beneficiaries, as is the case in the public sector, and the establishment of a special fund for granting loans to national insurance beneficiaries).

National insurance beneficiaries in the public sector affiliated with the CNRPS [National Retirement and Social Security Bank] have, for their part, benefited from the following key measures: increase in all pensions following the wage increase ordered in 1981, increase in the income of small pensioners, exemption of all pensions from the tax on wages and salaries, amendment of the system of calculating disability pensions, with the substitution of the real wage of the insured party for the contractual wage as the reference sum, establishment of a single wage indemnification for pensioners, and extension of sickness benefits, previously limited to four children, to all of the dependent children of the insured party.

In 1981, the social protection system covered almost 650,000 individuals.

Those covered account for 40 percent of the active population, and no less than two-thirds of the wage-earning population. This system, moreover, requires a substantial portion of the national resources. The overall resources of the system totaled nearly 920 million dinars during the Fifth Plan, and according to preliminary estimates, will reach 1.65 billion dinars during the Sixth Plan.

The year 1982 should allow more profound contemplation of the whole of the social protection problems including, in particular, the contribution of the system to the achievement of the national goals where employment, income and democracy are concerned, as well as the problems posed by the social security administration structures. In this connection, we must look into whether the existence of a given risk in the administration of two or more public and private administrative channels would not improve the quality of service and have a favorable effect on the cost of protection.

III. Financial Reform

Weaknesses and inadequacies having to do mainly with the structure of the financial system and the tools of monetary and credit policy have already been mentioned in the guideline document. Numerous proposals for the improvement of this situation were made in the course of the work of the commissions engaged in drafting the plan. Some of these proposals began to be implemented in 1981, and others may be in 1982.

Providing the country with a strong financial system by strengthening the capital of the existing banks and institutions and the establishment of development banks which can efficiently sustain the development effort which is expected to become more sizable--this is the nature of the reform desired. In this connection, 1981 was a decisive year for the implementation of this reform (establishment of development banks, increase in the capital of deposit banks).

In 1982, we can expect the establishment of a new development bank with a capital of 100 million dinars, in association with the United Arab Emirates. 1982 will also see the consolidation of the new institutions, the establishment of an agricultural development bank which will be entrusted with the management of the budget funds allocated for the development of agriculture--the FOSDA [Special Agricultural Development Fund], as well as credit lines which will be obtained from foreign financial bodies and will be allocated for the financing of agriculture.

Parallel with this, 1982 will see an increase in the capital of the COFIT (from 7 to 20 million dinars), as well as an increase in the capital of the BDET [Bank for the Economic Development of Tunisia] (from 10 to 30 million dinars).

Where the tools of monetary and credit policy are concerned, certain shortcomings have been noted. To correct this situation, a series of measures were adopted and implemented in 1981 (increase of creditors' interest rates, increase of debtors' interest rates, the granting to investments in retail trade of eligibility for medium-term bank credit, the establishment of long-term bank credit, the establishment of medium-term bank credit to finance investments in craft and small trade operations).

In addition, a series of measures designed to improve the financial system, which were proposed by the interdepartmental study commissions established in 1981, will be studied by the government in 1982.

IV. Wages and Prices

In the wage sector, the revision measures adopted in April 1981, which affected all wage earners, led to an average wage increase of almost 11 percent, resulting from a progression ranging from 7 to 20 based on wage category. The financial effect of these wage increase measures is assessed at about 110 million dinars, with government employees accounting for 29.8 million dinars. These wage increases and the revision of certain prices did not lead to excessive inflation, since between April and October 1981 the price increase did not exceed 5.7 percent.

The year 1982 should make it possible to study the basic wage, price and compensation problem more thoroughly within the framework of the major guidelines of the Sixth Plan. Agreement between the social partners should lead to the definition of a policy in the wage and price sector which will be politically and economically acceptable and socially just. This policy must simultaneously permit a gradual reduction in subsidies and the establishment of real prices such as to encourage production and limit consumption in accordance with the goals of the plan; maintain and insofar as possible improve the purchasing power of wage earners; guarantee consistency with the major macroeconomic balances on the one hand, particularly where consumption, savings and investment are concerned, and with the limitations on enterprise development, on the other.

V. Increased Exports

The encouragement of exports is an absolute priority, given the urgent need to correct the balance of payments. This inevitably involves a slowdown in the increase in imports in order to establish a tolerable balance for the Sixth Plan. It is for this reason that a strict export policy must be defined and implemented beginning in 1982. This policy must be based on the development of a production capacity partially oriented toward exports. The preliminary scheme of the Sixth Plan calls for re-launching investments in the tourist, textile and mechanical and electrical industries sectors, to this end, such as to strengthen their contribution to the increase in exports during the Sixth Plan period. 1982 will doubtless see this increase in investments, since the plans approved will in fact lead to a substantial increase in the role played by these sectors in investments as a whole.

Parallel with this, studies with a view to analyzing the factors in the competitive capacity of the Tunisian economy will be pursued in 1982, so as to identify new markets which could be exploited for the purposes of export.

In any case, the plans currently being made are based on three axes: the establishment of an insurance-credit system for export, incentives for the establishment of commercial export companies, and alleviation of the procedures and regulations where foreign trade is concerned.

VI. Decentralization and Regional Development

A constant concern of the government authorities, regional development was one of the key points in the Fourth and Fifth plans. However, despite the substantial steps taken, the impact on rebalancing still remains insufficient.

The year 1982 will see a strengthening of the steps already taken with a view to decentralization and regional development. For example, the programs of the real estate, industrial and housing agencies will be strengthened in the regions in the interior of the country and the general commissariat for regional development will devote itself in large part to the establishment of commissariat structure and the regularizing of the Sixth Plan. In the absence of real regional plans, a breakdown of the goals and the activities for which the Sixth Plan provides will make it possible to assess the impact of the plan on the various regions, to define priorities where regional development is concerned and to work gradually toward the correction of regional imbalances. Special attention will be devoted to the western and southern Tunisian regions in which connection the drafting of two regional development plans will be undertaken beginning in 1982. Moreover, the rural development plan will be substantially strengthened, with an increase from 20 million dinars in 1981 to 30 million dinars in 1982 in the overall allocation for this purpose. This allocation will be distributed among the regions on the basis of the importance of their poverty pockets and their lack of equipment.

VII. Fiscal Reform (now in the planning stage)

Overall Provisions

Increase in the Gross Domestic Product

The updating of the estimates for the various branches of activity makes it possible to estimate the real growth in the gross domestic product at 6.5 percent for 1981 and 5 percent for 1982.

Investment

Total investment is estimated at 1.4 billion dinars for 1982, corresponding to a rate of 30 percent in relation to the gross domestic product, as in 1981, whereas the preliminary Sixth Plan scheme called for a drop (27.2 percent of the gross national product) in 1982. This maintenance of the investment effort at a high level is basically explained by the revision of investments in hydrocarbons (233 million dinars instead of 135 million dinars), in connection with the accelerated research and development of the new deposits (Tazerka).

The Balance of Payments

The estimates drafted reveal a slowdown in the rate of growth where both aspects of the trade balance are concerned in 1982.

Exports of goods should increase by 2.5 percent in volume and 7.6 percent in value (as compared to 5 percent and 23.5 percent in 1981), while imports will increase by 3 percent in volume and 10 percent in value (as compared to 8.4 percent and 28.5 percent, respectively, in 1981). This slowdown in the rate of growth will not suffice, however, to prevent a deterioration in the trade balance, which will increase from 668 million dinars in 1981 and 760 million dinars in 1982, or a decline in the coverage rate, which will drop from 64.6 percent in 1981 to 63 percent.

In addition, the projections drafted show an increase in the contribution of service trade to the coverage of the goods deficit. In fact, the surplus expected for 1982 comes to 360 million dinars, up 20.8 percent over the 1981 figure (as compared to 298 million dinars, up 15.2 percent in 1981), which would cover 54 percent of the goods deficit (as compared to 51 percent in 1981).

This development is the result of a speedup in the rate of increase in income (16.8 percent as compared to 15 percent in 1981) and a slowdown in the rate of increase in expenditures (12 percent as compared to 16 percent in 1981).

Capital operations will develop on the basis of a plan to maintain exchange reserves with a surplus equal to the anticipated current deficit of 340 million dinars. Taking the outward flow of capital into account, this will mean the mobilization of a total of 500 million dinars in foreign capital (as compared to 460 million dinars in 1981).

On the basis of all of these figures, the foreign debt will increase 1.495 billion dinars, representing 32.6 percent of the gross domestic product, while charges and related costs will come to 270 million dinars, representing 12.8 percent of current foreign exchange income.

Public Finances

For 1982, the draft finance law establishes the general state budget for income and expenditures at 1.442 billion dinars, up 17 percent over the supplementary draft finance law for 1981.

Ordinary expenditures come to 797 million dinars, up 119,200,000 dinars or 17.6 percent from the level established by the 1981 supplementary finance law.

The Monetary and Financial System

The monetary and financial system, in terms of activity in the financing of the economy, is expected to show recovery, consistent with the goals of the Sixth Plan.

The monetary system (Central Bank of Tunisia and deposit banks) will contribute about 341 million dinars by the end of 1982, as compared to 358 million dinars in 1981 (281 million dinars for the economy and 60 million dinars for the public sector).

The net indebtedness of the state to the monetary system will increase in 1982 by 21.9 percent, a rate lower than that expected for 1981 (24.5 percent).

Employment

The preliminary estimates for 1982 show that 51,000 jobs should be created in the nonagricultural sectors. This figure falls short of the additional demand, estimated at 60,000. But the steps taken in 1981 in connection with developing employment, increasing the credit allocated to the rural development program (up 50 percent) and the planned strengthening of cooperation in the job sector with certain Arab countries may improve job prospects of the new applicants as a whole, and may contribute to an increase in the number of jobs available to more than the present figure of 51,000.

5157

CSO: 4519/79

STRATEGY TO COMBAT DROUGHT OUTLINED

Tunis DIALOGUE in French No 380, 14 Dec 81 pp 51-53

[Article by Othman Gharbi]

[Text] Feared on the part of the crop raiser or livestock breeder, sometimes consummately unknown to the city dweller and welcomed by the tourist (low season rates, with the sun as a bonus!) or the fisherman, and invisible to some of the social (but nonetheless economic) partners--this is the nature of drought in Tunisia. Whether it be temporary--let us hope--or enduring--please God that it is not--it is for better or for worse a reality with which we must indeed deal.

Early in December, the government took emergency steps to provide aid to the crop raisers and livestock breeders in the Center-South who were affected by the drought.

Thanks to the movement of the grazing stock in the North and the provision of substantial quantities of alfalfa, barley and corn to the livestock breeders, it is to be hoped that their situation will rapidly improve.

It is the Grain and Livestock Offices which are mainly responsible for the "Save the Livestock in the Center-South" plan. They have a substantial regional infrastructure already tested in practice, and familiar to the beneficiaries.

A number of shipments of hay, as well as special concentrated feed, have already been delivered. The governors have begun the process of delivering aid in kind to small and average livestock breeders. In addition, forest areas have been opened to herds of sheep and goats so that they can graze there.

This concern on the part of the government authorities, which is expected to produce the desired results rapidly in terms of saving the herds, nonetheless gives rise to two basic questions:

Is the Tunisian farmer, and above all the livestock breeder in the Center or the South, well equipped to wage the battle against drought on his own?

Is the drought risk incorporated in the Tunisian plan?

Where the farmers are concerned, there are at least two common attitudes--willing determination and fatalism.

For some farmers, the experience of the difficult years has served to stimulate their will, resulting in a remarkable capacity to adapt and to struggle. We will mention only the "jessours" in the South by way of example. Where feed for the cattle is concerned, they have participated energetically in the unprecedented effort pursued in recent years to establish what are called "standing" fodder reserves, containing fodder varieties of the shrub type such as spineless cactus, acacia and atriplex, which grow today over several tens of thousands of hectares and are drought resistant.

They have also been able to derive benefit from concentrated feed in raising sheep (experiment in the Gafsa-Nord district).

Better still and contrary to all expectations, the existence of a microclimate has made it possible to build greenhouses in continental regions far from the coast.

Certain very ingenious livestock breeders have even ground up olive tree leaves to supplement their livestock feed (see recipe!).

On the other hand--and this is the second attitude--some farmers in the Center and the South continue, come what may, to plant hard wheat with a mediocre yield, when, in view of its resistance to drought, barley is the crop of choice there.

The problem of adapting crops to the annual or seasonal rainfall variations thus continues to exist in the Center and the South despite some "breakthroughs" in certain regions where the drought risk factor is in practice the common denominator for a number of ventures (for example, in Sidi Bouzid, where a vast program of drought-resistant planting has been implemented).

Thus it is necessary to make a special propaganda effort in the Center and the South with a view to the planting there of new fodder varieties capable of resisting drought, such as the famous "Sulla," which we are told accumulates a reserve in its roots and thus needs little water. This variety is still little cultivated in areas without irrigation.

Livestock also needs a certain autonomy in terms of food supply.

By placing particular emphasis on fodder construction in irrigated areas, the Sixth Plan has included the drought risk factor in its provisions.

Moreover, the dependence of herds in the Center and the South on natural vegetation has increased. It is for this reason that the plan calls for the extension of fodder plantings in these regions.

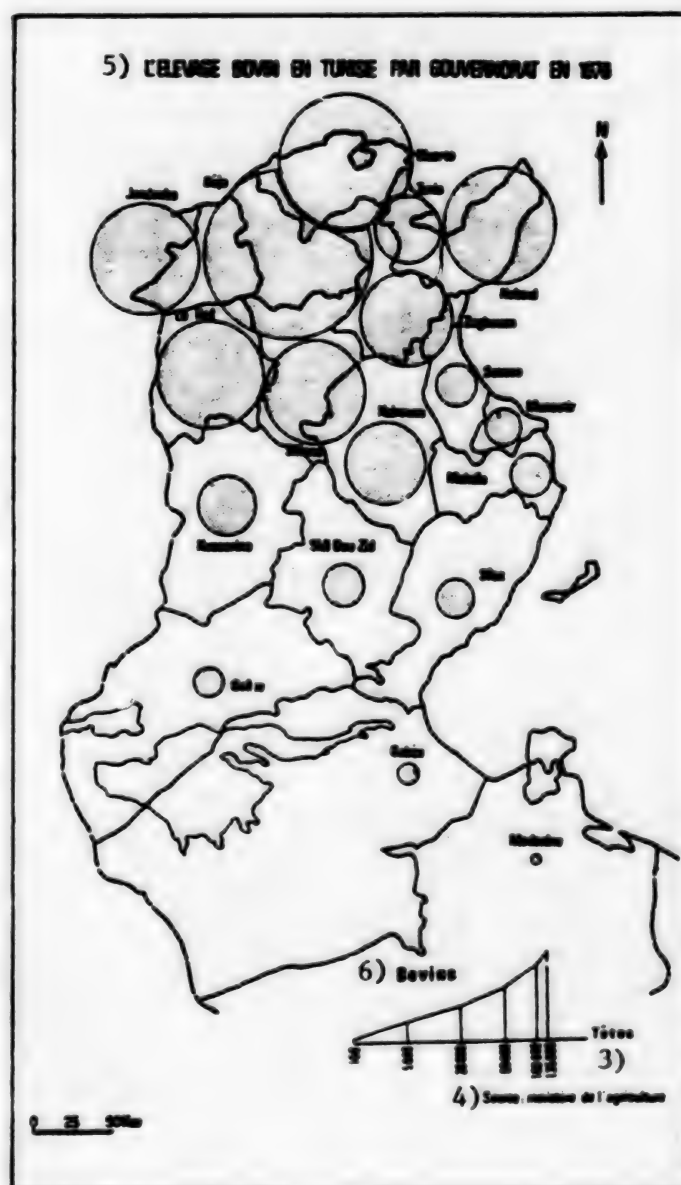
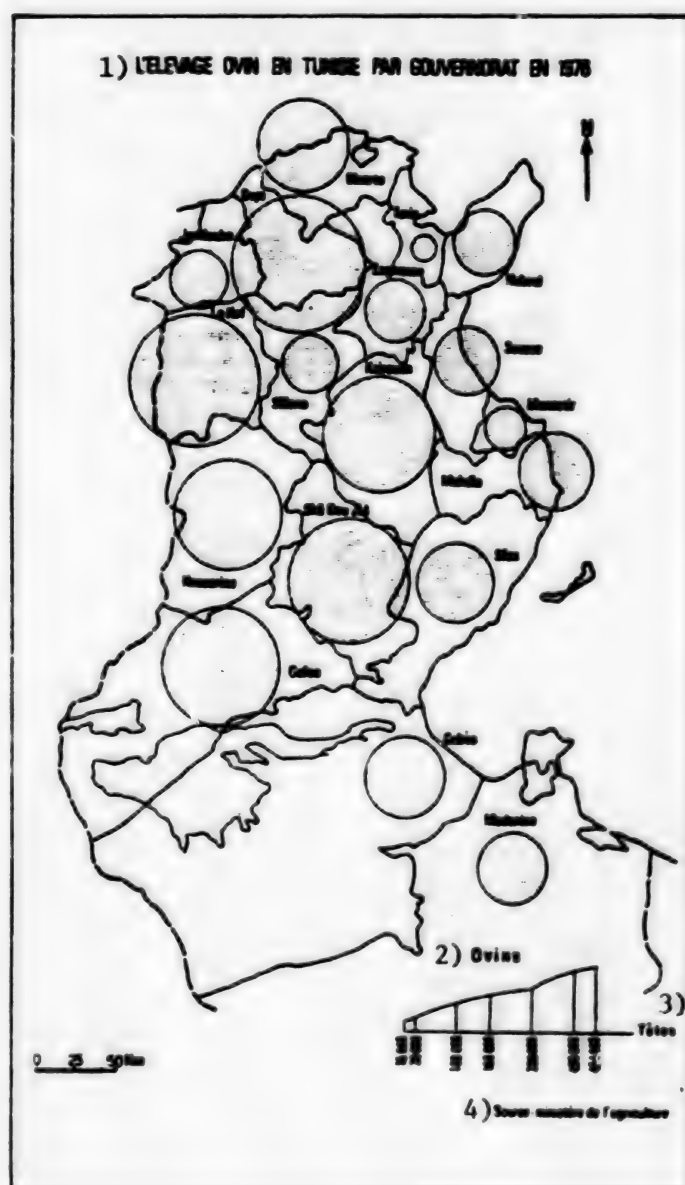
The first goal calls for incentives for a policy of fodder reserves independent of climatic variations in the large regions of the North, such as Beja, Mateur, etc. This program is based on the hypothesis borne out in the Fretissa sector (Mateur): by simply placing stress on the improvement of production techniques, the yield of fodder varieties can be considerably increased. Thus there is a possibility of establishing substantial stocks.

The second goal pertains to the Center and the South, where the herds--very sizable--remain at the mercy of the vagaries of the weather. It involves a combination of cultivated forage crops, fodder shrubs and grazing areas in each region so as to increase the certainty of food supply for the herds of sheep and goats.

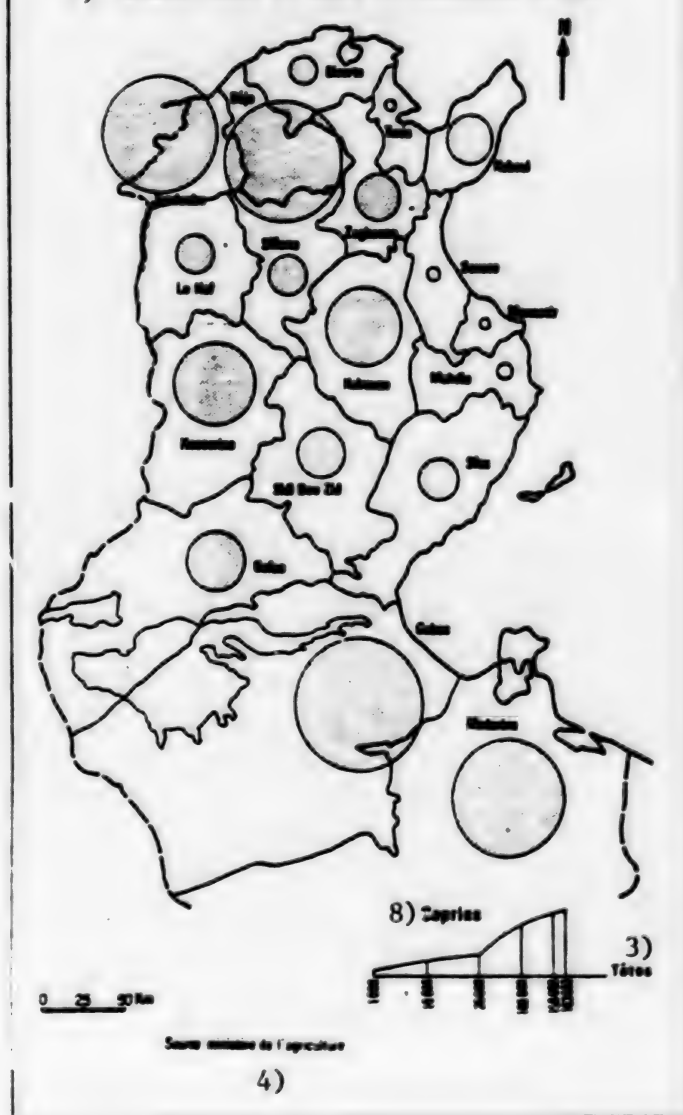
In order to achieve this double goal, the Sixth Plan calls for an increased propaganda effort, among the means to be used, such as to promote the fodder varieties best adapted to each region, whether irrigated or not, the testing of new high-yield species such as fodder beets and finally, major incentives for the farmers (credit, subsidies, prices), to promote the cultivation of fodder crops and even the storage of available products and byproducts. The Sixth Plan has allocated an overall sum in excess of 30 billion millimes for direct investments alone, not including financial operations, with a view to achieving these goals.

This relatively large sum is intended to achieve the quantitative and qualitative improvement of fodder production and to promote it in all of the regions of the country, the Center and the South in particular.

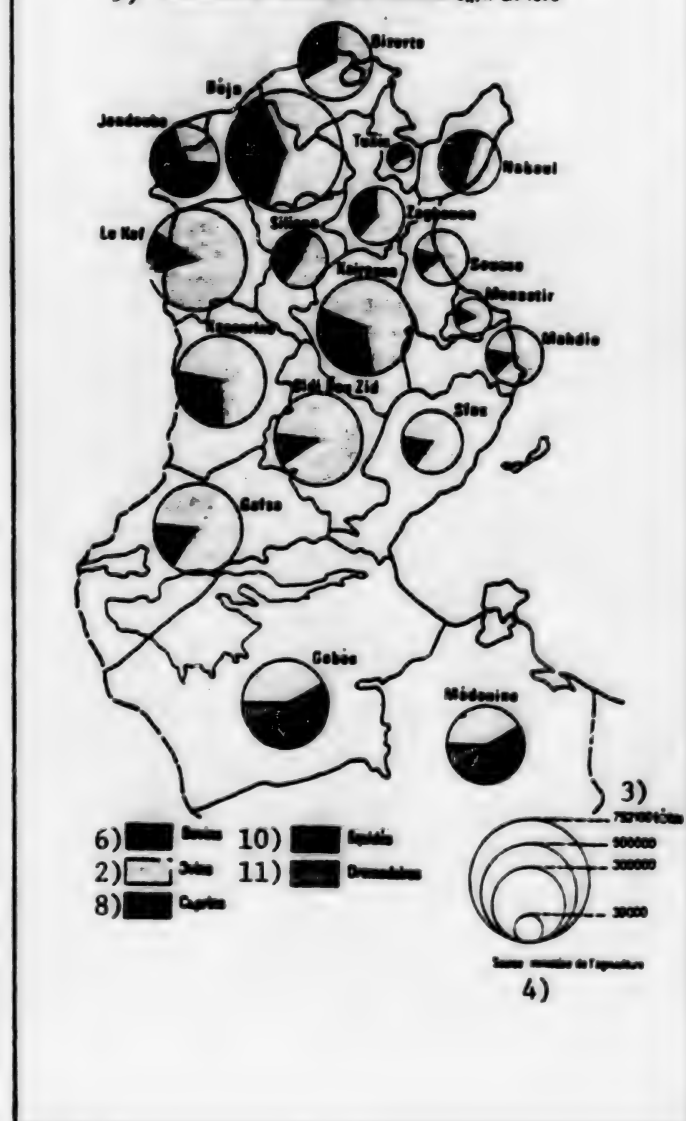
Geographic "voluntarism" rejects any form of fatalism.



7) L'ELEVAGE CAPRIN EN TUNISIE PAR GOUVERNORAT EN 1976



9) L'ELEVAGE EN TUNISIE PAR GOUVERNORAT EN 1976



Key:

1. Sheep raising in Tunisia by governorate in 1976
2. Sheep
3. Head
4. Source--Ministry of Agriculture
5. Cattle raising in Tunisia by governorate in 1976
6. Cattle
7. Goat raising in Tunisia by governorate in 1976
8. Goats
9. Livestock raising in Tunisia by governorate in 1976
10. Horses
11. Camels

RESTRICTIONS ON TOURISM EASED

London 8 DAYS in English No 1, 9 Jan 82 pp 50, 51

[Article by Nigel Ash: "UAE TOURISM: A Boom To Come, or a Planner's Pipedream?"]

[Text]

THERE ARE PEOPLE in the UAE who believe that the country may have a hidden resource other than oil, namely tourism. Others scoff at the idea and point out that the country hosts quite enough foreigners already, without encouraging more to come and stay albeit for short periods.

The debate about tourism in the upper levels of the federal government does not appear to have commanded a high priority, nor have any details emerged officially. However, *8 Days* understands the doubts as to the advisability and feasibility of tourism are to be found among Abu Dhabi officials, whereas the enthusiasts are in Sharjah, and more recently Dubai.

Sharjah has an enclave on the east coast where the emir, Sheikh Sultan, has a hilltop summer palace at Khor Fakkan. Below curves a stunning white beach of the sort pictured in the holiday brochure dream. At the northern end of this beach is one of the UAE's newest hotels, a Holiday Inn. From its private section of the beach guests may swim, surf, snorkel, pedallo, yacht and water ski.

The manager, Geoffrey Gold, told *8 Days* that a few days spent basking on the beach or taking part in the activities (training courses are given in water sports) was part of a general package devised by a group of Sharjah hotels. This offers a few days in Sharjah itself where people can shop, local sightseeing trips and, for the adventurous, desert safaris lasting from one day up to a fortnight.

The Sharjah authorities have arranged 10,000 visas for tourists travelling between September 1981 and May 1982. The tourists come in groups of around 35. Six German travel companies, working in association with seven Sharjah hotels, hope to bring 3,000-4,000 German tourists to Sharjah during this period. Other groups are

expected from Britain, Austria, Switzerland and Scandinavia, and there seems little doubt that all 10,000 visas will be used.

When it was first realised that the Sharjah government had successfully negotiated with the federal authorities for the 10,000 visas, there was a degree of annoyance on the part of Dubai hoteliers. In Dubai, most foreign nationals — almost invariably businessmen — had visas issued after sponsorship by a local firm. However, hotels could sponsor businessmen for seven day visas, which could then be extended for a maximum of seven days.

But at the end of October, leading Dubai hoteliers were summoned to a meeting by the department of Dubai civil aviation, where it was announced that tourist visas for the emirate could now be issued at 24 hours notice. One proviso is that the tourists must come in groups of at least ten. The visas will be for one month, and *8 Days* understands that the federal authorities have made a total of 20,000 visas available for Dubai tourism.

Dubai seems to have more ambitious aims than Sharjah. One hotelier said: 'We are looking for people who really want to spend money, visit the gold souk, who want to live and play well.' Hotels such as the Dubai Hilton, next door to the striking Dubai Trade Centre, plan high class packages for their tourist guests.

Plans for Dubai tourism are still so new that, as with Sharjah, profit projections have yet to be made. In one respect, hoteliers in the UAE will be grateful for any increased room occupancy: the rush to provide accommodation in the last five years, has resulted in too many hotels. In 1978 there were 8,628 hotel beds throughout the emirates. There are now almost 13,000. The UAE ministry of planning recently commissioned a study of the problem.

WESTERN SAHARA

SDAR DEFENSE MINISTER BRAHIM GHALI INTERVIEWED

Havana GRANMA in Spanish 23 Dec 81 p 5

[Article by Rodolfo Casals: "U.S. Supports and Presses Morocco in Its Unyielding Position on the Western Sahara Conflict"]

[Text] Chad Hafed Boudjema, SDAR--Brahim Ghali is one of the legendary heroes of the Saharan people.

His face tanned by the desert sun, and slender as the majority of his countrymen are, always wearing his uniform with no insignia of rank and his inseparable "tizam" (turban), this expert strategist bears on his shoulders the difficult task of putting into practice the military directives from the political leadership of the Polisario Front and the government of the Saharan Democratic Arab Republic in order to successfully wage the war that has been going on for 8 years, 6 of them against occupation by the Alawite monarchy of King Hassan II of Morocco.

In a simple reception room, furnished with some small tables and tapestries, the minister of defense and member of the Polisario executive committee and the Revolutionary Council grants an interview to a group of journalists who have just made "on-the-spot" confirmation of the liberation of Guelta Zemmur and Bir Enzaran, two extremely important military positions which were held by the invaders.

"The battle of Guelta Zemmur (in October of this year)," Ghali begins, "is considered an outstanding event of the war, although the immediate objective of the operations is the destruction of the so-called "useful triangle," where the Moroccan regime has had to concentrate its forces. Hassan II, like all colonialist, covets our country's resources, and the most important resource is found in Bu Crea (where one of the largest phosphate deposits in the world is located).

"Hassan II tried to create the "triangle" between Bu Craa, Smara, and El Aiun, and asked for foreign assistance (from the United States, Egypt, Saudi Arabia among others) in his war of aggression and oppression against the Saharan people, because of the explosive development of the armed struggle carried out by the Saharan People's Liberation Army. They presented two choices to the monarchy--either to take a defensive position, keeping the garrison at Guelta Zemmur as an advance post of the "useful triangle;" or to concentrate its forces in it and abandon Guelta after the October debacle, in which the defending regiment was annihilated (2100 dead and over 200 prisoners, and enormous losses in war materiel, including two Mirage F-1's, and F-5-E recently acquired from the United States, a Hercules C-130, and an armored helicopter).

"The occupiers were forced to accept the latter choice, at the cost of losing the initiative once and for all. That initiative is now entirely in the hands of the Polisario Front, which is able to choose the time and place of each attack."

Ghali answers a question about the future of the war categorically: "The defensive line of the 'triangle' will be totally destroyed," he states. "The war has entered a new stage because the Moroccan presence has been restricted to small specific locations, despite what they may say. With no direct foreign intervention, the war will not last much longer and the Saharan people will achieve their goal of self-determination and independence."

Regarding the possibility of a political solution to the conflict, the Saharan defense charged that in spite of Hassan II's theatrical gestures of supposed goodwill, in reality he refuses to take any positive steps toward a peaceful settlement of this typical problem of decolonization. He added that France and the Federal Republic of Germany could play a role in persuading the Moroccan monarchy to accept a political solution and prevent the conflict from becoming an international one.

In answer to a question by GRANMA about the Reagan government's increasing interference in the war, as seen in the recent visit by the deputy secretary of the Pentagon to El Aiun and in increased military aid to Morocco, Brahim Ghali indicated that that is flagrant intervention in support of an expansionist and oppressive regime attacking a small nation with limited resources, who for years have been fighting a war for liberation, survival, and its legitimate rights.

"We condemn North American intervention in the Western Sahara, as it is condemned by progressive and peace-loving forces the world over, and we consider North American aid to Morocco, in arms, training, and other ways, an indirect participation in the conflict by the United States, and a part of Washington's strategy for the region," he said.

"Through its support of Hassan II," he ended, "The United States is encouraging and backing his intransigence. The king is a known agent of North American imperialism, a defender of its interests in the area, and the United States is trying to protect and keep him. But this is not a valid course, for the war is lost in advance for Morocco."

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SALIH REGIME MAY REACH NEW COMPROMISE WITH OPPOSITION FRONT

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 229, 27 Sep 81 p 21

[Article by Muhi Samarah: "Toward New Compromise With Second Rank; Opposition Puts Pressure on San'a' to Talk With 'Aden"]

[Text] The regime of North Yemeni President 'Ali 'Abdallah Salih is faced with a kind of open civil war launched by the opposition, represented by the "National Democratic Front" led by Sultan 'Umar. News from San'a' and 'Aden told of fierce battles in past weeks in the areas around Wadi Banna in central and eastern North Yemen. It revealed that a number of people had been killed, and hundreds of unarmed innocent civilians were driven from their homes.

A report published by the London SUNDAY TIMES stated that the tension between the two Yemens has been renewed as a result of Libya and the Soviet Union's open support of the overthrow of the regime of 'Ali 'Abdallah Salih, which is friendly to the West and supported by Saudi Arabia.

It is said that after the signing of the tripartite agreement among South Yemen, Ehtiopia and Libya, the battles intensified after Libya agreed to finance the Front politically and militarily. It is said that part of the Libyan material support, which is estimated at half a million pounds sterling, will be allocated to build underground support for the Front, such as building schools, hospitals and agricultural centers.

Arab sources in Beirut who are familiar with Yemeni affairs do not deny that battles have broken out in recent weeks, but they differ with the English account with respect to the true framework to explain what is happening in North Yemen. In their opinion the battles do not constitute a danger to the regime of President 'Ali 'Abdallah Salih in spite of the military and political presence of the Front, because the Front is not on a military or tribal level to constitute a danger to the regime, for the following reasons:

First: The presence of the Front is limited to areas on the borders near 'Aden, and not in the interior.

Second: The Front enjoys the support of only the Sahfi'ite tribes and not the Zaidites. Custom and tradition in North Yemen dictate that Shafi'ites do not

attain power because the regime is limited to Zaidites and the role of the Shafi'ites does not overstep the bounds of alliance or participation in the regime.

Third: The Front derives its effective power from South Yemen's support for it.

Fate of the Agreement

For these reasons, the role of the Front is limited to being a tool to put pressure on the North to reach an understanding between 'Aden and San'a'. It cannot yet impose itself as a party competing for power. Through the South's pressure on the North, the Front can share power through a minister and within a general agreement between 'Aden and San'a'. It is believed that this is the most the Front can achieve in light of the existing circumstances, since matters cannot be portrayed other than as they are or the role of the opposition inflated.

In the opinion of experts in Yemeni affairs, the development which is believed to have led to the renewed tension is the fact that 2 years ago President 'Ali 'Abdallah Salih opened negotiations with the Front. He received Sultan 'Umar in San'a', and they agreed to sign a document recommending that the Front participate in a unified national government.

However, the agreement was not translated into action, and no coalition government was formed. The fact is that 'Ali 'Abdallah Salih exploited this agreement to improve the circumstances of his regime at home and abroad, especially with regard to his privileged relations with Saudi Arabia. Later he strengthened his internal position within Riyadh's commitment to defray the entire budget deficit and pay the arms bill.

During the past 2 years, 'Ali 'Abdallah Salih was able to win important victories at the expense of compromise with the Front, which appeared in the following fields:

First: Improve his relationship with Saudi Arabia without compromising his independence from Riyadh.

Second: Directing military strikes at the Front and its bases in spite of the negotiations and agreement.

Third: The absence of effective pressure from 'Aden in view of 'Aden's desire, after the arrival of 'Ali Nasir Muhammad, to follow a good-neighbor policy and keep the door open to mutual understanding with the Gulf regimes.

Toward a Second Compromise

On the other hand, the Front has tried to improve its image and its circumstances. It has sent representatives to the Arab countries to explain its positions and has established alliances with Libya and other states of the "Steadfastness and Confrontation Front" with the intent of obtaining material and military aid. It is not unlikely that it may have reached agreement with the Soviet Union, on

the occasion of the talks on the tripartite agreement among Ethiopia, Libya and South Yemen, to be the strike force in northern Yemen.

The latest news available in Beirut is that 'Ali 'Abdallah Salih has no objection to a second compromise with the Front and application of the past agreement as long as leader of the Front Sultan 'Umar does not sit at the negotiating table.

It appears that the Yemeni president does not want to cooperate with the known symbols of the Front but is inclined to cooperate with the second-rank men in the Front such as Sa'id al-Khabas, editor-in-chief of the opposition newspaper, for personal more than for political reasons. Therefore it is likely that the outcry over the "civil war" in North Yemen is like an uproar moving in other than its true framework, since a local problem ebbs and flows in North Yemen according to the progress of relations between 'Aden and San'a'.

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